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AUSTRALIA PUSHES "SNOWY" SCHEME (page two)

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COVER

A worker pauses a moment to look out over the partially completed Tumut Pond dam, one of the seven major dams to be built in Australia's giant Snowy Mountains scheme. A Canadian Trade Commissioner toured this area recently with an eye to Canadians participating in certain parts of this project. In the article on page two he reports on its scope and offers advice to interested Canadian firms.

—S.M.H.E.A. Official Photo.



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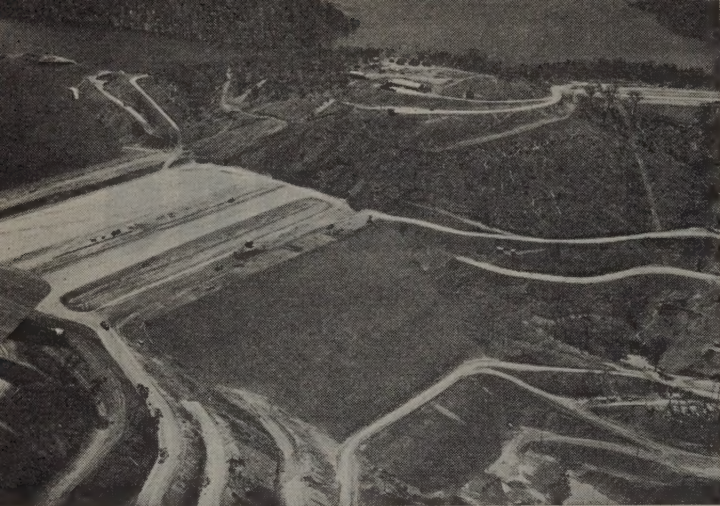
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Men and machines are pushing ahead Australia's great power and irrigation scheme on the Snowy River. Under construction since 1951 and scheduled for completion in 1975, this huge project continues to present worthwhile opportunities for Canadian equipment and know-how.

(Left) Storage of water has already begun behind the Adamantina Dam. Later this year, the dam will reach its full height of 390 feet and the reservoir will store 3.8 million acre-feet of water.

Australia Pushes "Snowy" Scheme

H. STEWART HAY,
Assistant Commercial Secretary, Melbourne.

ON the world's driest continent, Australia, over one-third of the country receives a desert rainfall of ten inches a year or less; the result—a chronic shortage of water for crops. In addition, Australia lags behind other western industrial nations in per capita consumption of electrical energy. Present production comes mainly from coal-burning thermal stations and new hydro capacity is vital.

In the southeast, the Australian Alps rise to over 7,000 feet and are snow-covered five to six months of the year. Much of the run-off finds its way into the extensive westward flowing Murray-Murrumbidgee system. But one stream, the Snowy, carrying the largest share of the run-off, drops southeastward from a high plateau through well-watered coastal plains to the Tasman Sea. Its precious waters are virtually wasted.

The Snowy Mountains scheme will divert the head waters of the Snowy River through large tunnels under the great dividing range to the floors of the western valleys, 2,000 feet lower. Otherwise waste waters will be fed into these dry but fertile valleys and, as they fall, vast quantities of power will be generated in a series of underground power stations. Tributaries of the Snowy and headwaters of west-flowing rivers will be diverted and stored for additional water and power. The scheme is the most ambitious ever mooted in Australia and one of the world's great engineering undertakings.

Use of the waters of the Snowy River has been a dream since 1884 but not until after the Second World War did the national importance of the scheme finally precipitate action. Construction began in 1951 and the target date for completion is 1975. Estimated initial cost is £A422 million (over \$900 million), to be drawn from the Federal Consolidated Revenue Fund. The scheme is to pay for itself solely from the sale of electricity.

When it is completed, 1.8 million additional acre-feet of water a year will be available to irrigate the Murray-Murrumbidgee valleys. This should pasture additional millions of sheep and thousands of cattle, equalling the water requirements of 600 thousand acres and resulting in increased production valued at £A30 million a year. Some three million kilowatts of power, or about six billion kilowatt hours of energy, will be generated annually.

Description of the Scheme

Current plans call for seven major dams; 15 and possibly 17 power stations, mostly far underground over 80 miles of tunnels up to 30 feet in diameter with vertical shafts up to 1,100 feet in depth, and several hundred miles of aqueducts and roads in mountainous terrain.

The scheme has two distinct sections:

- The Snowy-Murray phase will divert the Snowy River to the Murray River and will call for several major reservoirs, more than 30 miles of trans-mountain tunnels, and ten power stations generating 1.7 million kilowatts. Included in this phase are subsidiary develop-

nents to be constructed on the Upper Snowy and Geehi Rivers.

• The Snowy-Tumut phase will divert the Upper Murrumbidgee, the Tooma, and the Eucumbene Rivers into the Tumut River, a tributary of the Lower Murrumbidgee, and includes several major reservoirs, some 60 miles of tunnels, and five power stations along a 60-mile section of the Tumut Gorge with a net head of 2,700 feet. The Upper Murrumbidgee and Tooma Rivers, which normally flow into the Murray-Murrumbidgee system, are being diverted for increased storage and power and are finally discharged into the Murrumbidgee.

Both sections are designed to operate jointly and with the existing power networks of Victoria and New South Wales. As individual developments are completed, additional power will be released into the grids and additional water made available for irrigation.

International Participation

Firms from overseas countries are playing an important part in the development of the Snowy scheme. The project was launched in 1951 with the Guthega Dam and power station (MIB) on the Upper Snowy. A Norwegian firm contracted on Guthega and the turbines came from the United Kingdom. Work is currently focused on the Adaminaby Dam, with its 186 million acre-foot reservoir; the 14-mile transmountain tunnel; Tumut Pond Dam; T1 and T2 underground power stations, and the subsidiary Tooma and Tantangara diversion schemes. The U.S. Bureau of Reclamation gave a good deal of assistance with the design of these works; actual construction is being carried out by large French, U.S. and Australian contracting groups. Hydro-electric equipment is being supplied from Britain, Switzerland, Sweden and Belgium.

Opportunities for Canada

So far, there has been a minimum of Canadian participation. However, many tenders are to be called in the next few years. For example, in 1959 the Snowy Mountains Authority hopes to begin work on the Snowy-Murray phase which will most likely mean the announcement of tenders for a large dam and underground power station and two long tunnels. On the equipment side, the following continue to be of interest to the Authority:

Hydro equipment such as hydraulic gates and valves
Hydro-electric equipment such as turbines, generators, transformers, switchgear
Rock-drilling equipment
Earthmoving equipment
Lining and tunnelling equipment
Transportation and snow removal equipment, designed for difficult conditions

Other field equipment such as power chain saws.

How to Participate

1. *Representation:* Experience has shown that contracts generally go to firms that already have technical representation in Australia. Successful equipment suppliers usually are firms in a position to maintain spare parts and technical services as close to the site as possible. Interested Canadian firms should thus be represented in Australia.

2. *Tariffs and Licences:* The Authority enjoys no special privileges in import licensing or customs tariffs. The national importance of the scheme can, however, be expected to mean some priority given to the essential requirements of the Authority as far as licensing goes. As for tariffs, Canada is generally granted British Preferential treatment which gives Canadians an advantage over American, Japanese and Continental suppliers. On those products which enter under by-law because they are not produced in Australia, Canada has a 7½ per cent advantage over non-British suppliers.

3. *Design:* The Authority tends to be interested in custom-made rather than standardized equipment. It believes that fineness of design and efficiency will pay long-term dividends. Consequently, it has acquired a reputation for being exacting in its specifications. Potential Canadian suppliers must be willing to take this into account.

4. *On-the-Spot-Investigations:* No major contract is awarded unless the otherwise successful bidder has made an on-the-spot investigation.

5. *Bids:* In evaluating bids, the over-all cost of capitalization is the ultimate determinant. Where possible, the Authority includes estimated installation costs, loss and depreciation factors, etc., in its specifications. In turn, it wants quotations covering the installed cost of the equipment, with allowances for calculated loss of efficiency and other factors. The potential Canadian supplier should not weigh his ability to compete merely upon his factory or F.O.B. price.

Often there is not sufficient time to make investigations and prepare a bid once a tender has been called, and interested Canadian firms should therefore make their products and services known in advance to the Business Manager, Snowy Mountains Authority, Cooma, N.S.W., Australia, with copies to the Commercial Counsellor for Canada, Box 3952, G.P.O. Sydney, N.S.W., Australia, for follow-up purposes. The Authority gives serious attention to all inquiries. Following preliminary contact by mail, of course, subsequent details often require personal contact. Help may also be secured from the Chief, Engineering and Equipment Division, Department of Trade and Commerce.

Some technical terms encountered in **International Payments Arrangements** *explained for the layman by an expert*

A. F. LUCAS, *Foreign Manager, The Mercantile Bank of Canada.*

MORE than three-quarters of the world's trade today is transacted in non-convertible or partially convertible currencies. Pound sterling alone, of various types, is used in payment or financing of nearly 40 per cent of international trade. Many a Canadian exporter has therefore to devote considerable attention to developments in international payments and finds up-to-date knowledge of this constantly changing field a necessity. It can make the difference between a sale and no sale or between a meagre profit and a substantial one. It can also help the exporter to avoid losses.

The information that a businessman should have available is, without exaggeration, staggering. Much valuable material can be obtained from daily newspapers, various publications, *Foreign Trade* and other government sources, Chambers of Commerce and other trade organizations, and the Canadian chartered banks.

With information pouring onto the exporter's desk, the following brief summary of some of the arrangements, names and terms most often encountered in this type of printed information will perhaps prove useful as background material.

Bilateralism: A refinement of barter trade. By agreement, two governments provide payment arrangements for each other. Payment is made for imports in the domestic currency of the importer and the exporter receives payment in his own domestic currency. The transfer is made between the central banks of the two countries through a clearing account in which the conversion of one currency into the other is made at a fixed rate of exchange. When the trade agreement is closed, a balance of trade between the two countries is normally expected. Whenever temporary imbalances occur, the indebtedness must be settled, usually in

gold or convertible currency, unless a credit has been arranged.

Since it is practically impossible to keep trade balances at the same level and countries which have resort to this practice are unwilling or unable to part with their hard currency or gold reserves, this arrangement is rapidly losing favour and the principal trading nations seldom use it.

Multilateralism: In multilateralism, a group of countries establishes an accounting system in which all the currencies and account balances of the participating nations may be exchanged at fixed rates. Periodic settlement of outstanding balances must usually be made in convertible currency or gold, unless a credit has been arranged. Multilateralism is in fact an extension of bilateralism to more than two participants. It has the advantage over bilateralism that the deficit in the clearing account towards one of the member countries may be made good by an excess towards another country. However, convertibility is still limited to the participants and even in this circle is frequently restricted to transactions other than capital transfers. (Note: occasionally the word multilateralism is used incorrectly to describe full international convertibility. The use of the word here should always be distinguished from its use in the trade regulation field, where it is often employed to refer to the principles of non-discrimination and most-favoured nation treatment.)

Clearing Accounts: These are kept by central banks or similar organizations on behalf of other countries or payment systems for transactions resulting from bilateral or multilateral arrangements. Clearing accounts are kept in terms of bookkeeping units but are generally expressed in U.S. dollars.

The European Payments Union: EPU is a multilateral payments arrangement between the following European countries: Austria, Belgium-Luxembourg, Denmark, France, West Germany, Greece, Iceland, Ireland, Italy, Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, the United Kingdom, non-European dependencies of some of the former, as well as Morocco and Tunisia. Clearing accounts for each member are kept by the Bank for International Settlements in Basle. The accounting unit used is the U.S. dollar. Accounts are settled monthly: 75 per cent gold or free dollars, and 25 per cent credit.

The Hague Club is a multilateral arrangement maintained by certain Western European countries on the one hand and Brazil on the other, in which amounts due Brazil from one European member may be used for settling debts with another, and vice versa. The European members are Austria, Belgium-Luxembourg, France, Germany, Italy, the Netherlands and the United Kingdom.

Accounting is done in A.C.L. (Portuguese initials for Area of Limited Convertibility) dollars. Exchange certificates for A.C.L. dollars are sold at auctions in Brazil.

The Paris Club is similar to the Hague Club in function and joins the Argentine with some European countries in a multilateral trade and payments area. All types of payments can be made in the currency of any member country or its non-European dependency. The European members are Austria, Belgium-Luxembourg, Denmark, France, West Germany, Italy, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom.

Sterling Area: The centre of this multilateral payments association is the United Kingdom which keeps a central reserve, called the Exchange Equalization Account, for all members. Around it are clustered the various other members of the Commonwealth (Canada excepted), British colonies, dependencies, mandates and protectorates, plus some politically independent nations which have traditional economic ties with Britain or some other Commonwealth country. Pounds sterling can be freely transferred within this area for any purpose, including some capital transactions.

Free Accounts: This term is normally used to describe accounts of non-residents. Balances in these accounts, whatever the currency, may be used for payments by non-residents for any purpose within the country where they are kept, or they can be freely transferred to any other country.

Limited Convertibility: This term generally refers to accounts of non-residents which may be applied to specified purposes only within the country in which

they are kept but which may be bought and sold freely abroad. One of the best known examples is the

Restricted Convertibility D-Mark, which may be used for payments in the Federal Republic of Germany by residents of any country that has a payments agreement with West Germany.

Resident Account Sterling: Funds held by residents in the sterling area may be freely transferred to another account within the area. These accounts may be credited by transfers from all types of sterling accounts, but may not be used for transfers to other countries, except with the approval of the Bank of England. Resident accounts can be frequently bought and sold outside the sterling area at rates lower than the official rates of exchange. Such purchases and sales, however, run counter to the regulations if they are not authorized by the Bank of England.

American and Canadian Account Sterling: This variety of sterling is fully convertible into dollars without the specific approval of the Bank of England. The same applies to **Registered Account Sterling**, which is primarily used for the purchase of gold by non-residents.

Transferable Account Sterling is one of the principal payment units of the trading world. Balances in these accounts may be freely used for settling debts with the sterling area by residents of all countries, excluding the sterling and dollar areas.

Balances in such accounts may be shifted to other transferable and resident accounts. Payments into transferable accounts may be made without approval from any source except from resident accounts, and transferable accounts may be bought and sold outside the sterling area. Their price is normally slightly lower than that of the American account sterling.

Security Sterling: This is a pound sterling account the use of which is limited to purchases by non-residents of certain British securities. These accounts may be transferred between non-residents only, but securities purchased may be exported.

Capital Account French Francs are used for the handling, negotiation and utilization of investments in real estate and in certain types of securities in France. They can be bought and sold outside the franc area.

"K" Account Dutch Guilders are maintained in banks in The Netherlands for proceeds from capital transactions in securities and real estate. They may be used to buy exportable Dutch securities or converted into transferable dollars at a slight discount.

"E" Account Guilders: To facilitate transfer of emigrants' funds, balances on "E" accounts are kept

temporarily by the banks. The emigrant can withdraw small amounts before he departs. After he arrives in the dollar area, the balance may be converted into "K" account guilders.

Triangular Transactions: Suppose an exporter in the dollar area wishes to sell goods to a country where dollars to pay for imports are not readily available. The prospective importer would normally not even obtain an import licence for goods imported from the dollar area. However, he can obtain an import licence for the same goods when they are imported from a third country against which a balance is showing in the clearing account to the credit of the importing country. The goods are therefore sold and frequently even shipped from the dollar area to this third country, and from there to the importer, who pays for them in the bilateral clearing system between his country and the third country.

The funds thus received in the third country for the account of the exporter can be sold and transferred to the dollar area. The sale of such funds is normally made at a discount and the selling price may be marked up by the exporter to this extent. An importer in the dollar area may have an interest in buying these clearing funds at a lower rate because he may use them to pay for goods imported from the first country. Again, the goods are sold to a transit trader in the third country who, in turn, sells them to the importer in the dollar area. Triangular transactions are often referred to as switches and the clearing funds are bought and sold by so-called "switch dealers".

Multiple Exchange Rates: To bolster a country's faltering foreign exchange reserves (often at a great disadvantage to the economy) a currency may have different official rates of exchange for various types of transactions, and for foreign trade dealings in various groups of commodities. If the government concerned wants to encourage exports of a certain product or discourage a type of transaction involving outlay of foreign exchange by its nationals (such as travel abroad), it will often set a higher rate for foreign exchange in terms of the national currency. It may also raise the domestic currency equivalent of foreign exchange for imports that it wants to discourage, grading products into several groups according to their essentiality to the national economy.

Low rates are set for essential imports and sometimes also for export products that are doing reasonably well in international markets, simply to make a profit for the government on the exchange transaction in lieu of taxation or to contract the domestic supply of money and thus bolster its external value. The system of multiple exchange rates also provides opportunity to discriminate against trade with certain countries. ●

Pakistan Exports Less Cotton

PAKISTAN'S cotton exports last year were valued at only Rs.294 million, a drop of Rs.156 million from 1956. The decline in cotton export and continuing heavy imports of foreign food grains combined to affect her balance of payment which showed a serious deficit in 1957 of Rs.256.1 million.

With an expected carryover of some 250 thousand bales, the Government is looking for new outlets, possibly through barter deals with Communist countries. Reasons advanced for cotton's poor export performance are the worldwide recession, heavy buying of U.S. cotton by former customers, foreign exchange difficulties of two large buyers—Japan and France—and relatively high prices for Pakistani cotton. These high prices are maintained by strong local demand and a revenue-raising export duty levied by the Government.

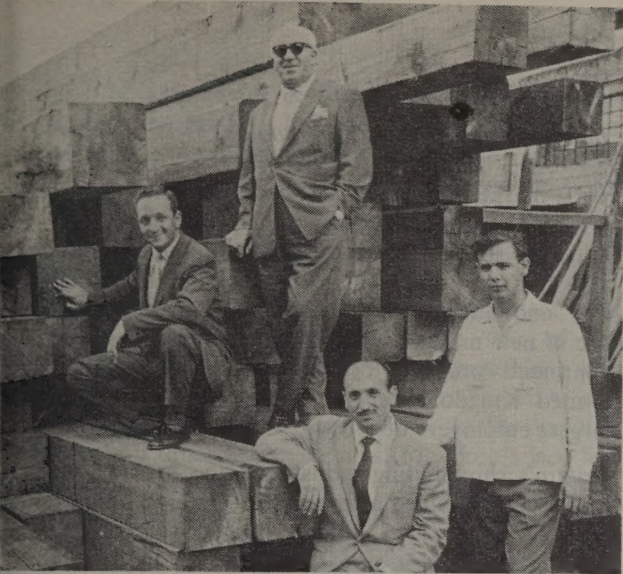
There are two main types of Pakistani cotton strains of medium-staple length grown from American-type seed, and indigenous short-staple cotton known as desi. The main characteristic of desi is its roughness; this makes it suitable for cotton wool, absorbent lint, blankets and mattresses. Some is used for spinning low-count cloth.

The rapid growth of Pakistan's textile industry has sharply cut down the amount of cotton available for export. In the last crop year, production was estimated at more than 1.7 million bales (one bale=393 lb.), but a slightly smaller crop was expected this year. The major part will be bought by domestic manufacturers, leaving perhaps 400 thousand bales of American-seed staple and 200 thousand bales of desi for export. Local mills tend to buy heavily in the first half of the season so that prices weaken only in the latter half, when better quality cotton often is in short supply.

In the past few years Canada has been a very small buyer of Pakistani cotton. In 1955 it imported 14,441 cwt. valued at \$425.5 thousand; in 1956, 4,745 cwt. valued at \$102 thousand; and in 1957, 2,836 cwt. at \$70,453. At present imports are confined mostly to desi which is peculiar to India and Pakistan. The Pakistani staple cottons have been and are still being faced with severe competition in Canada from United States and Mexican suppliers.

—J. D. BLACKWOOD,

Assistant Commercial Secretary, Karachi



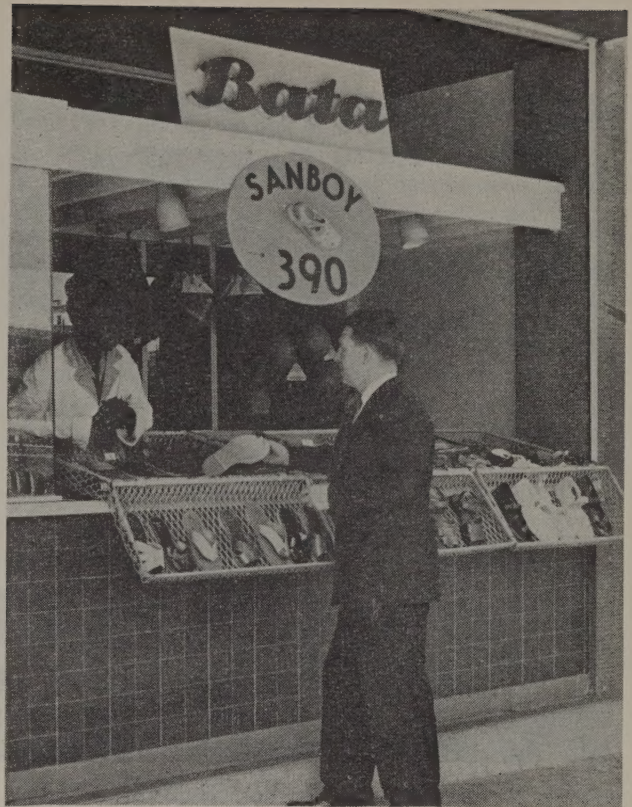
In Venezuela—The Assistant Commercial Secretary for Canada, left, poses proudly beside a shipment of Canadian hemlock. The Venezuelan lumber importers standing beside him look pleased with their part of the transaction.

Canada in Foreign Markets

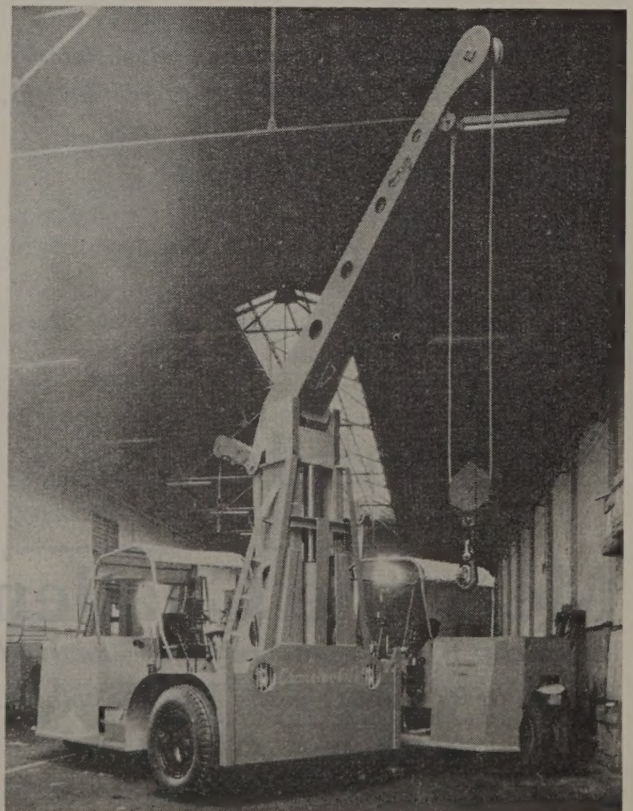
Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".



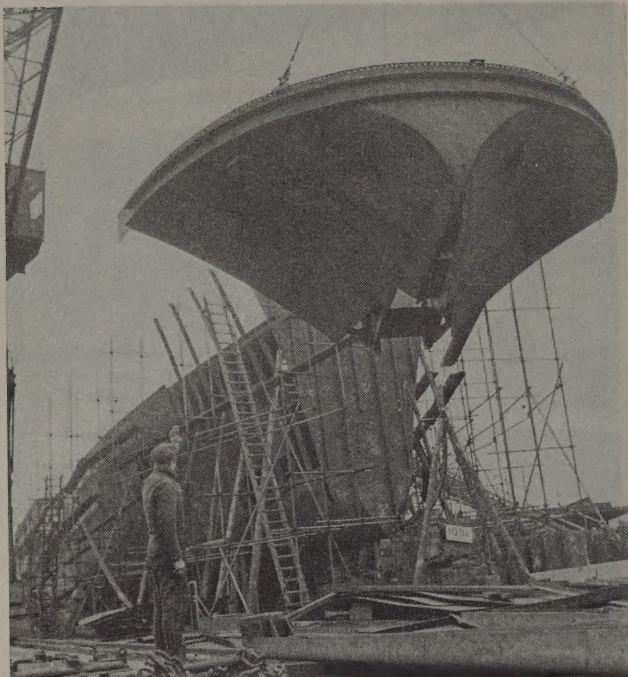
In Singapore—These workers pause on their way to the cold storage rooms to show some of the British Columbia salmon and halibut which they are busy unloading from a truck.



In French West Africa—During a visit to Dakar, the Commercial Secretary for Canada in Paris examined a display of rubber-soled shoes partially made on Canadian machines.



In Argentina—These Canadian-designed fork-lift trucks are assembled in Argentina with components from Canada. Structural work is done and wheels, tires, etc., made in Argentina.



Perfection of methods for welding ships' plates has made possible prefabrication of large sections, such as the bows being lowered into place on a new barge above, and has helped

British Shipbuilders

Meet the Challenge *of increasing competition, especially from Japan, Germany and Holland. But Britain has at least two factors in its favour, as the article explains.*

A. WORDEN EVANS,
Trade Commissioner, Liverpool.

THE marked falling-off in new orders and the increasing cancellations provide a timely opportunity to examine the structure of the British shipbuilding industry and find out how it has met the challenge of competition and adapted its construction methods to make use of new materials and techniques of assembly. The continued progress of the industry is vital to the United Kingdom because it has become one of the largest employers of labour.

Britain's shipbuilding industry at the present time has a production valued at over £200 million and a potential output of 1.75 million tons a year. It is the country's largest user of steel and employs over 20 thousand workers. Although Japan has moved to the fore and is able to build about 2.25 million tons per year, her production consists mainly of standard type whereas the United Kingdom turns out a wide variety. Germany has made great strides and now has a capacity of 1.25 million tons.

New Techniques Speed Production

Shipbuilding has undergone a postwar revolution through the perfection of methods for welding ship plates instead of riveting them. This change has been just as fundamental in its way as the substitution of iron for wood or the replacement of sails by mechanical propulsion. In addition to providing a smooth hull by removing the protruding rivets, this technique means a 5 per cent saving in weight. These two features have resulted in greater speed and increased cargo capacity. More important to the shipbuilding industry itself has been the change that welding has brought about in the method of construction. Large sections of a ship can be prefabricated in covered buildings and on completion transferred to the building berth for final assembly. Previously, with riveting, every plate and frame had to be built up step by step on the launching berth under exposed working conditions.

This labour-saving technique, however, has presented a major problem. Large welding shops have had to be provided and with Britain's old-established yards this has meant cutting down on the number of berths to provide space for welding operations. Fortunately

because the ship under construction spends less time on the building berth, it has been possible to maintain output with a smaller number of berths. In some cases, a shipyard has kept up its production with half the number.

Larger Ships Built

Another marked trend in shipbuilding since the war has been the increase in the average size of the ships. This difficulty has been overcome in some yards by extending and widening berths when the number has been cut down to provide for welding facilities. In other cases the need for more space has forced the amalgamation of adjacent shipyards. Modernization of the yards has also included providing the much heavier cranes necessary for moving the prefabricated sections and automatic welding and many other types of machinery. New drydocks have had to be built or old ones enlarged to take care of the larger ships of today and tomorrow. Modernization has been a continuous and costly process, and the industry has been spending at the rate of £5 million a year over the past ten years. This cost is expected to rise to £14 million over the next decade. One of the larger shipyards alone has plans to spend £17 million over the next few years.

New Materials Prove Useful

Steel remains the basic material for a ship's hull but the industry is making greater use of aluminum and plastics in the superstructure. A British yard recently launched an 18,000-ton motor vessel with an all-welded aluminum superstructure. The resultant saving in weight made possible accommodation for 67 more passengers.

Plastics are used in a variety of ways and their application to shipbuilding grows constantly. They are used to make lifeboats which remain watertight without periodic immersion in seawater, are light in weight and immune to attack from bacteria, marine growths, insect borers and rot. Plastics also provide durable and attractive floor coverings, wall panels and deck cladding, and have a variety of other uses.

An important part of the industry is the making of small craft, carried on in yards spread throughout Britain and accounting for 5 per cent of the total tonnage. The use of new materials has been even more marked in the building of these small vessels, ranging from tugs to canoes and from dredgers to high-speed passenger launches. This section of the industry faces keen domestic as well as export competition and in most cases there is no comfortable backlog of unfilled orders.

Private industry, the Navy and the universities carry on widespread research into shipbuilding problems and

this plays a major part in keeping Britain in the front rank among the shipbuilding nations. Large sums are spent on improving design, testing new materials, developing new methods of propulsion and so on. Many of the latest developments in use throughout the world were discovered and brought to fruition in Britain, where research covers every aspect of shipbuilding.

The industry organizes excellent training schemes. Outstanding apprentices and trainees are given the opportunity of further education, including in some instances salaried appointments to enable them to attend university. Its constructive approach to this question assures the maintenance of a highly skilled and qualified labour force.

Britain faces severe competition in shipbuilding, especially in standard types of vessels. The new yards built in Germany and Japan have been able to take full advantage of modern techniques such as prefabrication, and the dwindling importance of craftsmanship has assisted them. Last year for the first time Japan launched more ships than the United Kingdom and Germany's production was not far behind. Italy, the Netherlands, France and Sweden all have important shipbuilding industries, and most of the yards are modern and efficient. The Netherlands has opened more new yards than any other country and competition from the Dutch will increase. British industry has one major advantage—the price that it pays for steel is considerably lower than its competitors pay. Another important factor is that 80 per cent of its output is for the national fleet, which by tradition favours the home supplier. The variety of shipping produced in British yards is another advantage and large liners are particularly important. The keener competition of today is expected to lead to fixed and lower quotations, with a steady easing of credit terms.

The major problem facing the industry is taking full advantage of the increased productivity of its work force made possible by large capital expenditures. At the present time the shipbuilders have about four years of work on their order-books but the pressure of competition is expected to increase. But the basic assets of the industry should mean that it can face the future confidently and overcome its problems.

Index to Foreign Trade

The index to Volume 108 (July-December 1957) of "Foreign Trade" is now ready. If you would like a copy, write to the Editor, "Foreign Trade", Department of Trade and Commerce, Ottawa.

The Market in Cuba

Growing demand for many types of chemicals in Cuba is met largely by the United States. Canadian suppliers might expand their sales by concentrating on chemicals that enter duty-free or intended for industries granted tariff exemption.

J. E. O'NEILL,
Office of the Commercial Secretary, Havana.

CUBA is an important and expanding market for industrial chemicals, most of which are now imported. The United States in 1956 sold about \$5 million worth to Cuban buyers, and dominates the market. But there are some opportunities for Canadian suppliers.

To assess this market properly, one should first take a look at local production. The principal chemicals manufactured locally are sulphuric and hydrochloric acid; the former is produced from sulphur imported from the United States. Three sulphuric acid plants are now in operation with a combined daily capacity of approximately 164 tons, and two more are under construction. One of these, with a rated daily capacity of 300 tons, will use copper residues and iron pyrites as raw materials. The other, which will employ liquid sulphur from the United States, is connected with the Móa Bay nickel mines on the north coast of Oriente Province and the entire output will be used in the mining operations. When the new plants come into production, it is expected that Cuba will be self-sufficient in sulphuric acid. Other inorganic chemicals manufactured locally on a limited scale are caustic soda, chlorine and carbon bisulphide.

The production of organic chemicals, which has been governed by domestic resources of coal, petroleum and gas, will be increased by the recent addition of three new oil refineries which will produce petrochemicals from imported petroleum. However, imports of propane gas will still be required to meet the increasing residential and industrial demands.

Ethyl alcohol and glycerine are made in Cuba and also some casein used in the plastics industry, but all resins for moulding purposes are imported. As a by-product of the soap industry, glycerine production totals about four million pounds a year, of which approximately 20 per cent is refined in Cuba and the remainder exported

in crude form. Research has been going on for some time on a process for recovering the wax contained in sugar cane and, if it is found practicable, the industry has a potential annual production of over 50 million pounds of hard wax. Wax is now produced from this source but the quantity will be stepped up when a more efficient means of extraction is developed.

Cuba's production of salt, which is recovered from seawater by solar evaporation, reaches about 60,000 tons a year. In addition, 10,000 tons are imported for industrial and food purposes.

Industrial cleaners, polishes and stains are manufactured by several small companies but there is no domestic production of sulphonated oils and greases, scouring agents, penetrants or other textile compounds.

Why U.S. Dominates Market

The attached tables show exports of industrial chemicals and related products from the United States to Cuba during 1956. These are the latest official statistics available and are estimated to represent between 80 and 85 per cent of Cuban imports from all sources. The principal chemical imported from Canada during the same period was calcium carbide valued at \$221,468.00. On imports of less importance were dyes and dyestuffs, \$32,796.00; synthetic resins and manufactures thereof, \$67,302.00; pigments and paints, \$25,730.00. The predominant position of the United States in Cuba's import trade is explained by the preferential tariff and the proximity of the market.

What Canadians Might Sell

With the exception of fertilizers, fertilizer materials and insecticides, which enter Cuba free of customs duties, the United States is accorded a preference in the tariff averaging approximately 30 per cent on practically all chemical products. Although the United States has an advantage over Canada in supplying most of the chemicals Cuba needs, the fact remains that a large percentage of the actual value of imports is represented by products that enter the country free of customs duties and it is to these items that Canadian exporters should direct their attention. Tariff exemption is not restricted to the established list of chemicals but also applies to those used in n

EXPORTS FROM THE U.S. TO CUBA, 1956

Industrial Chemicals	Value
Acids and anhydrides, organic	\$ 61,702
Acids and anhydrides, inorganic	171,821
Alcohols	208,289
Carbon bisulphide	9,936
Formaldehyde	25,092
Synthetic collecting reagents for concentration of ores	16,056
Methyl-ethyl ketone	5,044
Ethyl ether	19,471
Organic chemicals not of coal-tar origin	185,427
Aluminum compounds	17,420
Calcium compounds	318,121
Halogens and halides	25,675
Potassium compounds except fertilizers	25,663
Sodium compounds	2,523,415
Metal salts of organic compounds	37,003
Industrial chemicals, other	291,015
	<hr/> \$3,941,150

Chemical Specialties

Copper sulphate	\$ 33,419
Lead arsenate	9,899
Calcium arsenate	5,369
Weed killers	461,363
Agricultural household and industrial insecticides and similar preparations	1,295,546
Household and industrial disinfectants, deodorants, germicides and similar preparations	104,593
Textile specialty compounds	710,196
Tanning specialty compounds	209,878
Plastics and resin materials	2,234,194
Cement for sealing cans	12,562
Other cementing preparations	297,832
Detergents and detergent intermediates	1,292,840
Specialty cleaning compounds	136,462
Polishes	544,250
Aromatic chemicals, synthetic and natural origin	1,169,178
Anti-knock compounds and additives for lubricating and fuel oils	397,145
Reagent chemicals for laboratory uses	50,138
Hydraulic fluids and oils	165,075
Chemical specialty compounds	1,710,899
	<hr/> \$10,840,838

Pigments, Paints and Varnishes

Iron oxide pigments, natural and synthetic	\$ 82,809
Extender pigments	53,584
Chemical pigments	1,477,192
Inertuminous coatings	124,224
Artists' colours	7,219
Paste and semi-paste paint colours in oil, putty and paste wood fillers	86,500
Water-thinned paints	262,605
Acquers, thinners and retarders for lacquers	343,973
Paint and varnish dryers	50,195
Ready mixed paints, stains and enamels	1,257,694
Varnishes	74,035
Printing and lithographic ink and varnish except textile printing	472,885
	<hr/> \$4,292,915

industries which may be granted tariff concessions under the Cuban Industrial Stimulation Law. If these products can be offered at prices that are in line with those of the United States, Canada could no doubt secure a much larger volume of the Cuban chemical trade.

Apart from the tariff advantage, deliveries can be made more quickly from the United States than from any other foreign source of supply because of the relatively short haul and the frequent sailings from the principal U.S. ports to Cuba.

In addition to the regular steamship freight service, carload lots can be dispatched almost daily via the railroad car ferry plying between West Palm Beach and Havana. This service facilitates the movement of freight and is used to carry a considerable quantity of the chemicals entering this country. ●

Coming to Canada on Business

THE INFORMATION about foreign business visitors given here is, to the best of our knowledge, accurate at the time of going to press. We cannot, however, accept responsibility for any changes in itineraries nor for cancellation of plans. This information is published as a service and in no way represents sponsorship or selection by the Department of Trade and Commerce. We cannot undertake to enter into correspondence about these visitors.

► from Italy

DR. ALESSANDRO LODOLO D'ORIA and DR. FEDERICO BAZZI, representatives of La Centrale, an Italian financial organization which controls a number of leading electrical and industrial firms, arrived in Montreal on July 10 to study the possibilities for manufacturing Canadian goods in Italy. They will also examine opportunities for Italian companies to participate in Canadian industrial development, particularly in the field of civil engineering. Dr. D'Oria and Dr. Bazzi can be reached at the Queen Elizabeth Hotel, Montreal.

► from Japan

SEIGO YAMATO, representative of Mitsui Mining & Smelting Co. Ltd., 1-2 Nihonbashi Muromachi, Chuo-ku, Tokyo, will visit Canada shortly to study the Canadian market. His firm is one of the leading manufacturers and exporters of non-ferrous metals and products. During his stay here, Mr. Yamato will visit the Hudson Bay Mining & Smelting Co., Flin Flon, Manitoba, and Consolidated Mining & Smelting Co., Trail, British Columbia. Interested businessmen can reach him through the Daiichi Bussan Co. Ltd., Room 1019 Marine Building, Vancouver.

French Equatorial Africa

The trade picture: *first shipments of petroleum gave new impetus to territory's export trade in 1957; larger purchases of capital goods marked import trade. Trade with Canada limited by dollar shortage.*

K. NYENHUIS, *Trade Commissioner, Leopoldville.*

BUSINESS conditions in French Equatorial Africa, an economy based essentially on agriculture and forestry, were good during 1957. Exports increased by 229 thousand tons in volume and 1,268 million CFA francs in value, mainly because of larger exports of lumber and initial shipments of crude petroleum. Total sales abroad brought in 15,402.9 million CFA francs, compared with only 14,134.7 CFA francs in 1956.

The Export Picture

The forest industry achieved a record production; returns from wood products represented 43 per cent of total F.E.A. exports, as against only 37 per cent in 1956. Exports of cotton, however, decreased, despite the fact that it takes first place in the area's agriculture. The 1956-57 harvest was smaller than in the previous crop year, but the principal cause of the decrease was not a smaller crop but a drop in shipments. These were not as large as output; in 1956, they exceeded the quantity harvested. Nor does the fall in production during the past crop year mean that cotton cultivation is declining. On the contrary,

EXPORTS FROM FRENCH EQUATORIAL AFRICA

	1957		1956	
	thousand tons	million CFA francs	thousand tons	million CFA francs
TOTAL	1,058.8	15,402.9	772.2	14,134.7
of which:				
Wood	788.7	6,589.1	653.8	5,204.8
Cotton	34.0	4,397.8	37.8	4,695.9
Green coffee	4.5	610.4	5.9	743.8
Crude petroleum	143.3	479.9		
Diamonds (9,000 carats)	110.6	423.7	147.4	497.8
Peanuts (shelled)	7.8	294.9	5.0	198.0
Cattle ('000 head)	52.3	271.0	39.7	205.7
Cocoa	2.4	260.9	2.9	265.0
Gold ('000 kilos)	1.3	192.1	1.3	265.6
Palm kernels	7.3	163.7	7.9	171.8
Palm oil	3.8	162.8	3.1	140.6
Peanuts (unshelled)	3.7	148.3	4.3	157.9
Leather and skins	0.8	132.9	0.8	84.3
Fresh meat	1.4	119.5	1.6	140.9
Lead mineral	4.0	90.3	6.0	134.8

with the introduction of new varieties and more intensive cultivation, productivity has gone up considerably. The 1957-58 crop is expected to be comparable to the preceding one, although the area sown is smaller.

Among other agricultural products, exports of tobacco, rubber and bananas have risen; returns are not yet high but they are increasing constantly. In a few years' time, these three products will probably add appreciably to agricultural returns. Exports of oleaginous products have also made satisfactory progress. Exports of coffee and cocoa fell during 1957, in spite of good prices.

Cattle-breeding has developed well, and the sale of livestock to foreign markets has increased. This has compensated for the decrease in exports of fresh meat.

The outstanding development in the mineral industry during 1957 was the initial export from the territory of crude petroleum. These exports reached 480 million francs CFA in value and put petroleum first among the area's mineral products. At the present rate of extraction, these exports should increase during 1958.

Imports Have Gone Up

Imports into French Equatorial Africa during 1957 went up sharply—from 20,526.6 million CFA francs in 1956 to 26,117.8 million in 1957. This increase

IMPORTS INTO FRENCH EQUATORIAL AFRICA

	1957		1956	
	thousand tons	million CFA francs	thousand tons	million CFA francs
TOTAL	436.0	26,117.8	363.5	20,526.6
of which:				
Machinery and apparatus	17.8	4,715.0	11.0	3,415.6
Transportation material	14.7	3,760.9	12.4	2,936.3
Foodstuffs		3,430.5		3,017.8
Metals and metal products	45.6	2,878.0	32.7	1,987.4
Textiles	7.1	2,525.3	6.3	2,100.1
Oil and lubricants	127.6	1,694.2	117.5	1,682.4
Chemical products	17.8	1,298.3	9.5	959.8
Beverages		1,119.9		996.3
Cement	91.9	708.5	74.8	451.3

resulted largely from bigger purchases of capital goods, a characteristic trend in areas that are undergoing development. It reflects also the effort to improve and add to the equipment of various industries. Naturally, this rise in imports brought in its wake a trade deficit.

Trade with Canada

French Equatorial Africa statistics indicate that mining equipment, scientific instruments and medicinal preparations are the most important exports from Canada to this territory. The following table gives complete figures:

CANADIAN EXPORTS TO FRENCH EQUATORIAL AFRICA

Product	Kilos Net weight	CFA francs
Canned vegetables	50	13,024
Manufactures of sugar and chocolate	110	12,000
Sweet pickles	125	18,287
Canned fruits	300	22,368
Medicinal preparations	765	249,431
Paints	12	7,387
Pencils	55	40,319
Cosmetics	16	14,864
Cardboard and paper boxes	357	21,813
Office supplies	17	10,738
Bound books	40	12,812
Underwear	348	97,003
Household linen	47	29,754
Knitted goods	100	10,223
Secondhand clothing	250	18,888
Leather shoes	25	19,492
Crockery	7	4,624
Tin cans	165	3,340
Tools	5	4,484
Metal household articles	170	26,254
Stainless steel utensils	46	29,681
Lamps and lanterns	4	3,008
Stoves (other than electric)	200	97,902
Gasoline pumps	67	45,235
Engine spare parts	1	11,700
Mining machinery, etc.	616	849,600
Mowers, threshers and sowers	62	14,400
Printing machines	7	10,463
Weighing machines	48	11,488
Typewriters	21	24,162
Radios	15	54,500
Electrical household apparatus	2	3,570
Precision instruments	122	811,900
Cinema apparatus	21	27,930
Surgical instruments	80	11,265
Miscellaneous	12	8,084
TOTAL	4,286	2,651,993

\$1.00=213.08 francs.

Statistics of French Equatorial Africa mention only two products exported to Canada in 1957, both wood:

iroko planks N.O.P.	15,800 kilos	396,068 francs	20 cu.m.
Limba planks	13,802 "	285,114 "	20 cu.m.

The foreign exchange allocation for imports from the dollar countries has not been increased, but with the expansion in oil production and exports, this situation may change and opportunities for dollar products may improve. ●

AUGUST 2, 1958

South Africa Aids Exporters

SOUTH Africans will shortly be offered an export credit insurance scheme very similar to the one Canadian exporters now enjoy. A consortium of eight leading South African insurance companies, banks, and financial institutions have formed the Credit Guarantee Insurance Corporation of Africa Limited to administer the scheme and the Government will underwrite the risk. The corporation will pay up to 80 per cent of any loss involving non-payment for specific reasons, and will insure Union and South West African exporters against:

- The insolvency of a buyer.
- The buyer's refusal to pay a valid debt within nine months of due date for goods accepted.
- Action by the buyer's government which blocks or delays transfer of payment in South African currency to the Union or South West Africa.
- The imposition of new import control restrictions in the buyer's country.
- The occurrence of war between the buyer's country and the Union, or any other country, as well as the occurrence of hostility, civil war, insurrection or other disturbance in the buyer's country.

Premiums for the policies will be based on the particular characteristics of each shipment, such as destination and the type of merchandise. The South African exporter will have to complete a proposal form before a premium will be quoted.

The cover provided by credit insurance protects the profit and loss account of the exporter. It also protects the exporter's working capital as invested in the accounts receivable by him against becoming tied up in bad or long over-due debts. By virtue, therefore, of the reduction of risk which credit insurance makes possible, the exporter has greater freedom to expand his business turnover within reasonable limits. The scheme is, however, not intended to compensate exporters for imprudent transactions nor act as a substitute for credit controls.

As a credit-insurance undertaking, the Corporation will be constantly in touch with world trading conditions and trends. Business and financial interests, not only in South Africa but in Germany, Sweden, and Switzerland as well, have made capital and technical contributions to the scheme. The corporation has already been elected to membership in the Berne Union and the International Credit Insurance Association.

—M. R. M. DALE,
Trade Commissioner, Cape Town.



Aircraft

URUGUAY—PLUNA, a national airline owned and subsidized by the Government of Uruguay, has bought three Vickers Viscounts from Vickers-Armstrong (Aircraft) Ltd., Britain, for long-distance passenger service to Chile, Peru and Brazil. The first of these arrived on June 24 at the Carrasco airport of Montevideo. It was flown from Britain via Iceland, Greenland, Canada and the United States—Montevideo.

Brazil Nuts

BRAZIL—A SUMOC (Superintendency of Exchange and Credit) decision to increase the exchange rate granted to exporters of Brazil nuts has received enthusiastic approval from growers in northern Brazil. The new exchange rate for exports of the processed nuts will be Cr.\$90 for US\$1, compared with the previous rate of Cr.\$67—Rio de Janeiro.

Iron Ore

BRAZIL—The M. A. Hanna Co., which recently acquired control of the St. John d'El Rey mining interests in Minas Gerais, has announced that it will spend close to US\$2 million by the summer of 1959 for new exploration and equipment at the Morro Velho mine. Hanna proposes to turn the mine into a major iron ore producer for United States and European markets but will also continue gold prospecting and mining at the site.

Because the distance from the mine to the sea is about the same as at the Knob Lake development in Labrador, Hanna will probably have to spend about the same amount (US\$300 million) to build a railroad to the sea and outfit a seaport; the first stage of the project should be finished within three years. Exports of ore are expected eventually to total about ten million tons a year; at the current export price for ore, this would result in annual foreign exchange earnings for Brazil of about US\$100 million—Rio de Janeiro.

FINLAND—An investigation of the recently-discovered iron ore deposits in Kolari, Finland, shows that it may be possible to mine over a million tons

Commodity Notes

a year. The ore is reported to contain 60 per cent iron. The first step in exploiting this deposit will be building a railway between Kauliranta and Kolari at an estimated cost of 3.8 billion Finnmarks—Stockholm.

NYASALAND—On May 28, near Blantyre in northern Nyasaland, a new iron mine came into production. Initially, three to five thousand tons of ore will be extracted every month and the target for the end of 1959 is ten thousand a month. A spokesman for the operators states that only one other deposit, in Brazil, has the same high iron content as the Nyasaland one. Stockpiles for export are already being built up—Salisbury.

Lumber

UNITED STATES—The Kroehler Manufacturing Company's \$3.5 million lumber processing plant at Meridian, Mississippi, will be opened soon. It will process hardwoods to be used for the frames of sofas and chairs. Installation of the machinery has begun—New Orleans.

Mechanical Pulp

SWEDEN—After a recent survey of the market for wet mechanical pulp, Scandinavian producers have reached a preliminary agreement to cut production. Total Scandinavian output of wet mechanical market pulp in 1958 will be 35 per cent below the original plan. The previous cut in production—in October 1957—was 25 per cent—Stockholm.

Onions

EGYPT—Egypt's exports of fresh and dehydrated onions to Canada have increased steadily in the past three years despite a decline in exports to all countries. Canadian purchases in 1956 reached 822 tons, in 1957 1,470 tons and in 1958 2,390 tons. Total exports during these years were 198.9 thousand, 157.5 thousand and 140.2 thousand tons. Two of Egypt's important customers, the United Kingdom and France, have dropped out of the market in the

last two years; this year the main buyers were the Netherlands, West Germany, East Germany, Switzerland and Czechoslovakia—Cairo.

Pharmaceuticals

FINLAND—A pharmaceutical factory known as TERPIA is under construction in Helsinki and is expected to come into production by autumn of this year. Owned by the Finnish Berner Company, it will co-operate with the scientific section of Bayers—Stockholm.

Pulp and Paper

UNITED STATES—Operations are now under way at a new \$12 million pulp and paper mill at Pine Bluff, Arkansas; the plant is owned by Dierks Forests, Inc. An integrated kraft pulp and unbleached paper and liner board operation, the new mill can produce 150 tons a day on its high-speed Black-Clawson Fourdrinier paper machine—New Orleans.

Ships

INDONESIA—Indonesia is to get nine ships from Japan under the Japan-Indonesia Reparations Agreement. The nine vessels, five new and four remodelled and valued at US\$7.2 million, will be part of Japan's first-year reparations payment to Indonesia of US\$20 million—Djakarta.

Steam Generator

SWEDEN—The General Export Association of Sweden has recently announced the introduction to the market of a steam generator—said to be the smallest in the world—built by N. E. Olsson of Stockholm. It weighs only 36 pounds, is equipped with a handle, and can be carried around as required. It may be particularly useful in a dispensary or dentist's surgery, in a laboratory, or in other places where sterilizing or rapid cleaning is necessary and where an autoclave takes too much space. The generator was originally designed for thawing purposes, but is now finding wide application in various industries and laboratories for heating, fermenting, cleaning, distilling, etc. It is manufactured in three sizes and can be operated by electricity, propane gas or kerosene. No expensive installations of steam tubes are needed and this keeps installation and operating costs low—Stockholm.

Steel

ARGENTINA—Two new blast furnaces, three Thomas converters and two arc furnaces are to be added to the two blast furnaces which have been operating for some years in the government steel

plant at Zapla, province of Jujuy. Total capacity of the blast furnaces will be 131 thousand metric tons and of the arc furnaces 22,000 tons. The rolling mill will have a capacity of 120 thousand tons a year. The plant will smelt the low-grade iron ores found at Zapla and will use for fuel eucalyptus wood cut from plantations established for that purpose some time ago—Buenos Aires.

Sugar

BRAZIL—International buyers have reportedly purchased 100 thousand tons of Brazilian sugar for shipment to Mainland China. Some 70,000 tons have already been shipped through Rio de Janeiro, consigned to Dairen and Hong Kong. The sugar has been sold for US\$72 a ton F.O.B., or Cr.\$288 a sack, compared with Cr.\$450 a sack on the domestic market. The shipment is valued at US\$7 million and payment will be made in sterling—Rio de Janeiro.

Wallboard

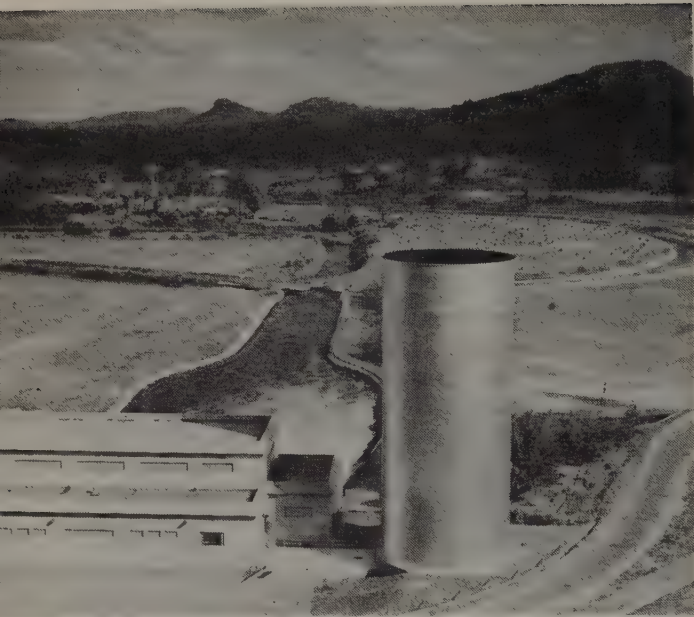
FINLAND—Market difficulties in the Finnish wallboard industry are increasing because of severe foreign competition, particularly from Sweden, and a drop in domestic consumption. Several Finnish factories have been forced to cut down production and further reductions may be necessary—Stockholm.

SWEDEN—Sweden produces over half-a-million tons of wallboard a year valued at about kr.225 million. Sales in Sweden in 1957 totalled about 30,000 tons of insulating board and 130 thousand tons of hardboard. Because no increase in Swedish domestic consumption is expected, future development in the board industry is dependent on exports, which now total about 340 thousand tons, or two-thirds of total deliveries. Exports in 1957 reached approximately kr.150 million.

The United Kingdom is Sweden's main customer and in 1957 bought 132 thousand tons, almost 40 per cent of total Swedish exports. The United Kingdom's wallboard imports now total 190 thousand tons a year and in recent years about 70 per cent was purchased from Sweden—Stockholm.

Wheat

GREECE—The 1958 wheat crop, now being harvested, is expected to reach 1.7 million metric tons, an all-time record, against 1.6 million tons last year. This will be enough to meet the country's total needs. The second bumper crop in two years will mean a sharp falling-off in the US PL-480 program during the next United States fiscal year and a reduction in the counterpart funds which will be made available for financing state projects—Athens.



Water and power from the dam . . .

Here we see the Inginiyagala power house, surge chamber and river channels. Four turbines to be installed will generate 10,000 kilowatts; the two now in use were bought in Canada.

. . . with contributions from Canada

One of Canada's major tasks was to build substations like this one, which relays power from the main station to adjacent areas over Canadian-made high-tension transmission lines.



Ceylon Open

W. R. VAN, *Commercial Secretary, Colombo.*

HOW can Ceylon make best use of her 25,000 square miles and ease her population congestion, when over one-fifth of her nine million people are now clustered around Colombo? What steps can she take to increase food production which now meets only about one-third of her needs? Large capital works that will partially solve both these problems are slowly unfolding in the Gal Oya river valley in Ceylon's Eastern Province. About 8,000 families have been settled in this area since an irrigation and hydro-electric scheme was launched seven years ago. They are growing food on land once covered by dense jungle and inhabited by a scattered population. These people struggled against a forbidding climate: floods swept uncontrolled during

. . . made possible growing of crops like rice

Irrigation has meant rich rice crops for formerly landless Ceylonese like these, shown gathering a fine harvest. It will probably be processed at a new modern plant at Chavalakadai.



Frontier in the Valley of the Gal Oya

the northeast monsoon from November to March, and drought or near-drought made farming virtually impossible for the rest of the year.

The Gal Oya scheme, designed to improve about 1,000 square miles, was financed by the Government of Ceylon with some Colombo Plan aid from Canada. It was begun as a pilot project and is the first and largest river valley development on the island. The first step was to build a dam and power station at Inginiyagala to control floods and provide hydro-electric power and an irrigation reservoir. Then came road and telephone communications and new villages with schools, hospitals and industries. The settlers now have their own carpentry shops, a sawmill, a brick and tile factory, and a modern rice mill ready to receive its first

harvest. And Ceylon's first sugar factory is on the way; the foundations have been laid and machines will soon crush the giant cane grown in the irrigated valley.

It was only after the dam and power station were built that Canada entered the picture. Canadians designed and installed most of the equipment for the transmission lines and substations and provided all the materials for the lift irrigation system. Canadian trucks are helping to solve the transport problem: their varied loads include people, farm machinery, food supplies and pesticides. And the resettled farmers, carpenters, blacksmiths and technical students are hard at work with tools supplied by Canada—Colombo Plan goods that together make up about 50 per cent of our exports to Ceylon. ●

... planting new fields to sugar cane

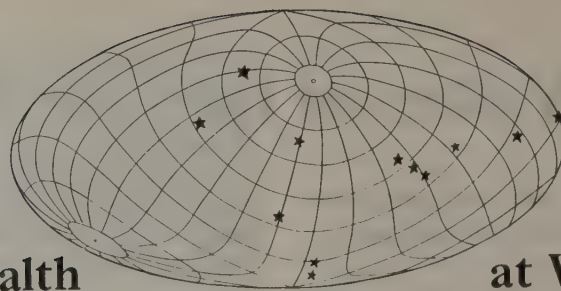
These men are sowing a 10,000-acre sugar cane field, part of the Development Board's biggest undertaking. New refineries will bring prices within closer reach of average consumers.



... and building of shops and industries.

One of the industries introduced in this colossal project is a tile factory at Irrakkamam. Here a workman gets ready to remove a building block from an electrically-operated press.





The Commonwealth

at Work

Canada and the Commonwealth

a study of the pattern and the relative importance of Canadian trade with Commonwealth members, 1953-1957, with prewar comparisons.

P. C. COLLINGWOOD, *Economics Branch.*

THE businessman who wishes to study and analyze Canada's current trade with the Commonwealth might well choose as the basis the period following 1948. Prewar and early postwar comparisons sometimes prove misleading.

The dislocation in international trade patterns caused by the Second World War created a situation in which it was no longer possible for Canada to ship close to half its total exports to Commonwealth countries, as she did in prewar days. The intricate system of balancing off international transactions which enabled Canada before 1939 to purchase over 60 per cent of all her imports from the United States and to sell only 30 per cent of her total exports in the American market had ceased to function.

By 1947/48 the attempt to restore international trade to a recognizably prewar pattern had failed and a new trading pattern had developed. In common with most other countries, Canada was compelled to increase earnings of U.S. dollars or accept recurrent exchange crises and lower living standards.

Tables 1A and 1B illustrate historical and current trends of Canadian trade.

As the tables on pages 20, 21, 22, and 23 show, exports to the Commonwealth shrank from about 40 per cent of all exports in 1947 to 20 per cent ten years later; imports declined to 14 per cent of the total from 28 per cent in prewar years.

Canadian imports from the United States since 1948 have generally amounted to slightly more than 70 per cent of total imports, an increase of 10 per cent over prewar. Since 1947 Canadian exports to the United States, however, have risen to 60 per cent from 37 per cent of the total.

Canadian trade with countries other than the Commonwealth and the United States has increased steadily from prewar proportions. By 1955 Canada was purchasing more from these countries than from the Commonwealth area and in 1957 Canadian exports to third countries exceeded sales in the Commonwealth market.

Early 1958 brought moderate improvement in some aspects of Canada-Commonwealth trade. The proportion of exports going to Commonwealth countries rose to 22 per cent and once more exceeded sales to third countries. Imports from the Commonwealth as a whole fell slightly, from 14 to 13 per cent of total imports, but those from the United Kingdom rose from 8.4 to 9.7 per cent.

Canadian Exports to the Commonwealth

At current rates, Canadian exports to the Commonwealth have a value of about \$1 billion a year, of which 70 to 80 per cent goes to the United Kingdom. (The 10 per cent variation is usually caused by the strength or weakness of the wheat and lumber markets in Britain.) The Union of South Africa is historically Canada's second largest Commonwealth market, though occasionally Australia holds this position. Together these two countries buy roughly \$115 million worth of Canadian goods each year. Depending on sales of

DIRECTION OF CANADIAN EXPORTS—SELECTED YEARS 1935-1958

	1935/39 average	1947	1948	1951	1953	1954	1955	1956	1957	1958 ¹
					(millions of dollars)					
United Kingdom	354	751	687	631	665	653	769	813	738	157
Other C'wealth	94	417	345	241	232	195	237	243	233	74
Total C'wealth	448	1,168	1,032	872	897	848	1,006	1,056	971	231
Per cent of total	51	42	34	22	22	22	24	22	20	22
United States	321	1,034	1,501	2,298	2,419	2,317	2,559	2,819	2,869	638
Per cent of total	36	37	49	59	59	60	60	59	59	60
West Germany ²	9	7	13	37	84	87	58	134	152	33
Japan	22	—	8	73	120	96	91	128	139	27
Other	84	565	521	634	598	532	567	653	710	142
Total foreign	115	572	542	744	802	715	716	915	1,001	202
Per cent of total	13	21	17	19	19	18	16	19	21	19

¹Jan.-Mar. 1958.²All Germany 1935/39.

wheat, India and Pakistan sometimes stand high among Canada's Commonwealth markets—as in 1953 and currently. Normally, however, Canada's sales to Pakistan are smaller than those to New Zealand and Jamaica. Outside these major markets and the entrepôt trade with Hong Kong, roughly \$35 to \$40 million worth of Canadian exports go to the 25 other Commonwealth areas as defined in the official trade statistics. Table 2 on page 20 analyzes the direction of Canada's exports within the Commonwealth over the last several years.

The commodity composition of Canadian exports to the leading Commonwealth markets is given in tables 3 to 8 on pages 20 and 21.

Canadian Imports from the Commonwealth

Between 1955 and 1957 Canadian imports from the Commonwealth rose at a faster rate than imports from all areas, largely because of a 30 per cent increase in purchases from the United Kingdom. In other words,

Commonwealth suppliers increased their share of an expanding Canadian market for the first time since 1953.

Canadian imports from the Commonwealth in 1957 totalled over \$760 million, and it is expected that 1958 will prove to be another year of high imports from the Commonwealth. Table 9 on page 22 shows the main sources of Commonwealth imports into Canada.

Between 1953 and 1955, British participation in the Canadian market declined steadily, but United States participation remained constant. From 1955 to 1957, however, imports from the United Kingdom increased appreciably—by 30 per cent. This was a larger increase than the growth of total imports and of imports from the United States.

This increase in imports from the United Kingdom has been concentrated in iron and steel goods, especially automobiles, pipe, rolling mill products and non-farm machinery. A partial recovery in British sales of

—continued on page 23

SOURCE OF CANADIAN IMPORTS

	1935/39 average	1947	1948	1951	1953	1954	1955	1956	1957	1958 ¹
					(millions of dollars)					
United Kingdom	124	189	300	421	453	392	401	485	522	116
Other C'wealth	71	165	205	306	170	182	210	221	239	36
Total C'wealth	195	354	505	727	623	574	611	706	761	152
Per cent of total	28	14	19	18	14	14	13	12	14	13
United States	419	1,975	1,806	2,813	3,221	2,961	3,452	4,162	3,999	864
Per cent of total	61	77	69	69	74	72	73	73	71	72
Other countries	71	245	327	545	540	558	650	837	863	177
Per cent of total	11	9	12	13	12	14	14	15	15	15

¹Jan.-Mar. 1958.

Canadian Exports to Commonwealth Countries

2

DIRECTION OF EXPORTS, 1955-58¹

Per cent share
in 1957/58

3

TO THE UNITED KINGDOM, 1953-58

	1953	1954	1955	1956	1957	1958 ¹
	(millions of dollars)					
AGRICULTURAL AND ANIMAL PRODUCTS						
Wheat grain	206	132	148	177	130	33
Wheat flour	39	29	18	21	20	5
Barley	27	34	44	37	20	4
Soya bean oil	4	4	12	18	29	2
Flaxseed	1	2	5	20	19	3
Tobacco	12	14	22	12	16	5
Canned salmon	4	11	5	8	6	
Furs dressed and undressed	4	4	5	4	4	2
Cheddar cheese	4	1	4	4	3	
Other	22	18	27	29	16	5
Total	323	249	290	330	263	59

WOOD PRODUCTS

Planks and boards	49	68	70	39	39	10
Wood pulp	26	34	36	30	29	4
Newsprint	18	29	33	41	44	8
Other	17	15	19	25	30	5
Total	110	146	158	135	142	27

IRON AND PRODUCTS

Iron ore	6	6	9	18	24	1
Ferro-alloys	7	2	3	6	6	
Semi-finished steel	11	6	15	10	5	1
Other	3	1	3	4	8	2
Total	27	15	30	38	43	4

NON-FERROUS METALS

Primary aluminum	66	75	99	108	80	14
Copper ingots	32	46	48	54	58	13
Lead in pigs	10	11	13	13	9	1
Nickel matte	30	29	33	34	39	11
Nickel fine	5	6	7	6	6	3
Zinc spelter	9	16	19	15	19	4
Platinum	15	16	14	20	17	4
Magnesium			3	2	2	
Selenium			1	3	1	
Other	13	10	10	9	6	3
Total	180	209	247	264	237	53

NON-METALLIC MINERALS

Asbestos	6	6	9	10	8	1
Coal			2	1		
Abrasives	2	4	4	4	3	1
Carbon electrodes			2	2	3	1
Other	1	2	2	2	2	
Total	9	12	19	19	16	3

CHEMICALS

OTHER COMMODITIES	9	16	20	21	28	9
	7	5	5	7	9	2
GRAND TOTAL	665	652	769	813	728	157

¹Jan.-Mar. 1958.

20

4

TO SOUTH AFRICA, 1953-58

	1953	1954	1955	1956	1957	1958 ¹
	(millions of dollars)					
Wheat	14	10	9	9		
Tallow			1	1	1	0.5
Softwoods	8	7	12	9	10	2.7
Newsprint	3	3	4	5	6	0.8
Trucks	4	11	4	3	3	0.8
Autos	9	1	6	7	9	3.8
Auto parts	2	2	3	2	2	0.6
Railway cars			2			
Aluminum	1	1	1	1	2	0.3
Electrical apparatus	1	1	1	1	1	0.2
Aircraft				11		
Aircraft parts				4		
Other commodities	9	4	13	12	14	5.3
Total	51	40	56	65	48	15.0

¹Jan.-Mar. 1958.

5

TO RHODESIA AND NYASALAND, 1953-58

	1953	1954	1955	1956	1957	1958
	(millions of dollars)					
Wood products	1.1	2.2	2.5	2.4	2.0	.3
Iron and steel products	.6	.5	.4	.6	1.2	.3
Wheat		.6	.4	.7	.4	.3
Paper products	.2	.2	.5	.4	.6	.1
Other	.3	.4	.5	.6	.8	.2
Total	2.2	3.9	4.3	4.7	5.0	1.2

¹Jan.-Mar. 1958.

FOREIGN TRADE

Canadian Exports to Commonwealth Countries

TO INDIA, 1953-58

	1953	1954	1955	1956	1957	1958 ¹
	(millions of dollars)					
Wheat	27	3			5	13.5
Sulphite pulp	1	1	2	2	2	0.2
Newsprint	1	2	2	2	1	
Locomotives and parts		2	10	10		
Trucks	2					
Auto parts	1	1	1	1	1	0.2
Aluminum	1	3	2	2	4	0.7
Copper		2	1	4	3	0.1
Nickel		1				0.1
Other	4	3	7	5	13	8.9
Total	37	18	25	26	29	23.7

¹Jan.-Mar. 1958.

TO PAKISTAN, 1953-58

	1953	1954	1955	1956	1957	1958 ¹
	(millions of dollars)					
Wheat	24	1		2	2	0.8
Railway ties	1	1				
Sulphite pulp		1				
Hay rakes	1	1				
Miscellaneous machinery		3				
Locomotives and parts				2		
Electrical apparatus				1	2	0.2
Aircraft and parts			2	3		0.5
Contractors outfit and supplies				3	4	0.9
Other	6	2	4		3	0.2
Total	32	9	6	11	11	2.6

¹Jan.-Mar. 1958.

7

TO AUSTRALIA, 1953-58

	1953	1954	1955	1956	1957	1958 ¹
	(millions of dollars)					
Autos, trucks, parts	16	13	15	15	9	2.0
Softwoods	7	9	12	9	7	2.0
Newsprint	4	6	9	8	9	1.0
Aluminum	2	3	5	3	4	1.6
Asbestos	2	3	3	2	3	0.6
Other	8	11	14	11	17	3.8
Total	39	45	58	48	49	11.0

¹Jan.-Mar. 1958.

TO NEW ZEALAND, 1953-58

	1953	1954	1955	1956	1957	1958 ¹
	(millions of dollars)					
Autos, trucks, parts	1	2	4	3	2	1.2
Wood products	1	2	2	2	2	0.4
Newsprint	2	3	5	3	2	0.1
Iron and steel products	2	5	5	4	4	0.8
Copper and brass			2	1	1	0.8
Fish products		1	2	2	1	0.4
Other	1	4	2	3	5	1.0
Total	7	15	22	18	17	4.0

¹Jan.-Mar. 1958.

8

TO JAMAICA, 1953-58

	1953	1954	1955	1956	1957	1958 ¹
	(millions of dollars)					
Wheat flour	4	3	2	3	2	0.8
Fish	3	4	4	4	4	0.9
Iron and steel	2	1	2	4	5	0.7
Other	3	4	5	6	8	1.8
Total	12	12	13	17	19	4.2

¹Jan.-Mar. 1958

TO TRINIDAD, 1953-58

	1953	1954	1955	1956	1957	1958 ¹
	(millions of dollars)					
Wheat flour	3	4	4	3	3	0.7
Fish	1	1	1	1	1	0.4
Iron and steel	1		1	1	1	0.2
Tobacco	1	1	1	1	1	0.2
Other	3	5	6	6	6	1.2
Total	9	11	13	12	12	2.7

¹Jan.-Mar. 1958

Canadian Imports from Commonwealth Countries

9

SOURCE OF IMPORTS, 1953-57

	1953	1954	1955	1956	1957	% share in 1957
	(millions of dollars)					
United Kingdom	453	392	401	485	522	69
India	27	28	35	31	29	4
Malaya-Singapore	22	20	29	29	27	4
Australia	23	25	26	28	29	4
Jamaica	12	15	16	25	40	5
British Guiana	18	20	18	21	21	3
Other Br. West Indies	4	8	11	7	10	1
Ceylon	14	13	16	17	15	2
British East Africa and Mauritius	9	16	13	15	15	2
New Zealand	9	7	12	12	12	2
Trinidad-Tobago	8	10	10	11	8	1
South Africa	5	6	6	8	7	1
Fiji	6	6	5	6	7	1
Hong Kong	4	4	6	6	7	1
Ghana	3	2	4	4	6	
Rhodesia and Nyasaland	4	1	1	1	1	
Other	6	1	5		5	
Total	624	574	610	706	761	100

10

FROM THE UNITED KINGDOM, 1953-57

	1953	1954	1955	1956	1957		1953	1954	1955	1956	1957
	(millions of dollars)						(millions of dollars)				
Biscuits	3	2	3	3	3	Other rolling mill products	19	14	11	24	27
Chocolates	2	2	3	3	3	Aircraft engines	16	12	9	5	9
Other confectionery	2	2	3	3	3	Other engines and boilers	3	3	10	7	6
Other foods	6	8	6	5	7	Farm machinery	5	5	4	4	6
TOTAL AGRICULTURAL FOODS	13	14	15	14	16	Non-farm machinery	47	35	30	44	47
Whisky	7	7	7	7	8	Automobiles and parts	33	20	18	27	37
Other alcoholic beverages	3	3	3	3	3	Other vehicles and parts	8	8	5	6	5
Rubber products	2	2	2	3	3	Other iron and steel goods	17	17	10	17	20
Other	1	2	3	3	2	TOTAL IRON AND STEEL GOODS	162	130	112	163	196
TOTAL AGRICULTURAL NON-FOOD	13	14	15	16	16	Aluminum and products	4	4	4	10	
Furs	2	1	3	3	3	Platinum	16	18	16	19	15
Leather	4	4	4	5	5	Electrical apparatus	23	19	21	28	28
Leather products	4	3	3	4	4	Other non-ferrous metals	9	9	10	16	15
Other	3	3	3	3	4	TOTAL NON-FERROUS	52	50	51	72	65
TOTAL ANIMAL PRODUCTS	13	11	13	15	16	China tableware	11	11	11	11	10
Cotton and products	16	13	13	14	14	Glass and products	5	5	7	8	6
Flax, jute products	5	5	5	6	5	Clays and products	3	3	4	5	4
Wool and products	80	61	62	68	69	Coal and products	6	4	5	3	4
Synthetics	5	3	4	5	5	Other non-metallic	5	5	5	6	6
Other textiles	7	7	11	11	10	TOTAL NON-METALLIC	30	28	32	34	30
TOTAL TEXTILES	113	89	95	104	103	Chemicals	19	19	23	23	23
Wood products and paper	5	5	6	6	7	Aircraft and parts	7	5	13	7	15
Primary iron and steel	6	8	7	11	12	Arms and ammunition	3	7	5	5	5
Pipes and tubes	8	8	8	18	27	Settlers' effects	5	4	3	4	11
						Other commodities	18	17	18	21	26
						GRAND TOTAL	453	392	401	485	522

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FOREIGN TRADE

Canadian Imports from Commonwealth Countries

11

FROM OTHER COMMONWEALTH COUNTRIES, 1953-57

	1953	1954	1955	1956	1957
	(millions of dollars)				
India					
Black tea	8	10	13	11	10
Hemp and jute	9	9	11	10	10
Cotton and products	2	2	2	3	3
Nuts	3	3	3	2	2
Other	5	4	6	5	4
Total	27	28	35	31	29
Ceylon					
Black tea	8	9	9	11	10
Coconut oil	4	2	3	4	3
Crude rubber	1	1	2	1	1
Other	1	1	2	1	1
Total	14	13	16	17	15
Malaya					
Crude rubber	16	14	25	22	20
Pin	3	2	2	3	3
Palm oil		3	1	3	2
Other	3	1	2	1	2
Total	22	20	29	29	27
British East Africa, Mauritius					
Raw sugar	6	8	8	8	10
Green coffee	2	6	4	5	4
Other	1	2	1	2	1
Total	9	16	13	15	15
Ghana					
Cocoa beans	2	2	1	2	2
Manganese ore			2	1	3
Other	1		1	1	1
Total	3	2	4	4	6
Jamaica					
Bauxite/alumina		3	7	12	23
Raw sugar	11	10	7	11	15
Other	1	2	2	2	2
Total	12	15	16	25	40

	1953	1954	1955	1956	1957
	(millions of dollars)				
British Guiana					
Bauxite	11	11	9	9	9
Raw sugar	6	9	8	10	11
Other	1		1	1	1
Total	18	20	18	20	21
Trinidad					
Crude petroleum	6	7	7	7	3
Raw sugar		1	1	2	3
Other	2	2	2	2	2
Total	8	10	10	11	8
Other British West Indies					
Raw sugar	1	4	8	5	8
Molasses	2	2	2	2	2
Other	1	2	1		2
Total	4	8	11	7	12
Australia					
Raw sugar	8	8	8	7	12
Wool	7	5	6	7	4
Canned and dried fruits	5	6	6	5	6
Canned and fresh meats	1	3	3	3	4
Other	2	3	3	4	3
Total	23	25	26	26	29
New Zealand					
Wool	6	3	5	5	5
Sausage casings	1	2	3	5	4
Other	1	2	4	2	3
Total	8	7	12	12	12
Fiji					
Raw sugar (total)	6	6	5	6	7
Rhodesia and Nyasaland					
Copper	2.8	.9			
Chrome	.5	.1	.2	.2	.3
Other minerals	.4	.1	.1	.3	.6
Other	.1	.1	.2	.2	.2
Total	3.8	1.2	.5	.7	1.1

textiles, especially woollen, and an increase in sales of electrical apparatus made up the remainder of the rise in the import value of British goods.

The commodity composition of Canadian imports from the United Kingdom, which currently total about 70 per cent of all imports from the Commonwealth, is given in table 10 on page 22.

Because in most cases Canada's imports from Commonwealth countries other than the United Kingdom are restricted to a few bulk items produced by each country, they have been listed together in Table 11 above.

Over 60 per cent of Canada's imports from the Commonwealth countries listed in Table 11 are made up of raw sugar, rubber, tea, bauxite and wool—commodities often subject to wide variations in price. For instance, in 1951 Canadian imports from the Commonwealth countries other than the United Kingdom were valued at \$306 million as a result of the price boom following the Korean War. Two years later the figure was barely half that, or \$170 million. Fluctuations in the earnings from these basic Commonwealth exports have immediate and direct effects on Canadian trade; a poor wool clip in Australia, for example,

usually means import restrictions against the dollar countries.

These bulk commodities are of course not too closely related to the rapid expansion of Canadian capital investment which has been mainly responsible for the

sharp upswing in total Canadian imports over the past several years. There has thus been a tendency for the share of the Canadian market occupied by these countries to decline, although fairly moderately. Table 1B illustrates this point. ●

New Zealand's Trade with the Commonwealth

Commonwealth countries dominate New Zealand's trade today as they did before the war, with Britain far in the lead and Canada in third place.

JOHN MacNAUGHT,
Assistant Commercial Secretary, Wellington.

NEW ZEALAND, one of the smallest countries in the Commonwealth in terms of population, probably carries on a higher percentage of her total trade with the Commonwealth than any other member country. Last year 67 per cent of her total sales abroad, valued at £276 million, were made to Commonwealth countries. Sales to Commonwealth countries accounted for roughly 90 per cent of total exports immediately before the war, and the current figure therefore suggests that New Zealand's markets are becoming more diversified. However, relatively no change in distribution between Commonwealth and non-Commonwealth countries has occurred since 1950. From that year up to 1956, the percentage of export trade with the Commonwealth remained relatively stable at around 73 per cent. With allowance for distortion because of higher wool prices and weak prices for dairy products, provisional figures indicate that little change in this pattern took place in 1957, although exports to the United States and Japan, apart from wool, showed moderate gains. Increased shipments of meat to the United States should, however, result in a more clear-cut shift in 1958.

Ranking Commonwealth Customers

As usual, the United Kingdom retained her predominant position as the major market for New Zealand's exports of meat, dairy products and wool, but shipments to Britain in 1957 fell by over £17 million. The

percentage of exports taken by the U.K. dropped 6 per cent from 1956 to a low of 58.6 per cent, principally because of lower prices for dairy products and increased returns from wool in other markets, rather than from a shifting of the trade pattern.

Of the remaining Commonwealth countries, Australia is the most important market, taking about 3.7 per cent of total exports in 1957. Exports to Australia consist chiefly of newsprint, pulp, wool and timber. Canada comes next in line, but took only 1.6 per cent of New Zealand's total exports last year, up about .2 per cent from 1956. Sausage casings, wool and meat lead in value but other products such as fruit and seeds are sold. New Zealand exports to over 15 other Commonwealth and Empire territories but their purchases are relatively small.

Outside the Commonwealth, New Zealand sold in 1957 about £92 million worth of goods, or roughly 33 per cent of total exports. This gain of over 5 per cent compared with 1956 results from the same factors which caused the decline in the Commonwealth share. The United States buys about a quarter of the total—principally wool, meat, hides and skin. Nearly all European countries import some New Zealand products (mainly wool); France, West Germany, Italy, Belgium and Luxembourg are the most important customers.

Commonwealth Is Dominant Supplier

Total imports into New Zealand, provisionally placed at £262.6 million in 1957, showed a marked increase of over £27 million, or nearly 12 per cent, compared with 1956. Imports consist mainly of machinery and transport equipment, base metals and manufactures, metals, textiles and clothing, chemicals, food, beverages and tobacco, and mineral fuels.

The pattern of New Zealand's imports from Commonwealth and other countries showed no change; both areas shared the increase equally. For many years the percentage of total imports originating in Commonwealth countries has remained remarkably stable at the high level of between 75 to 80 per cent.

Of the individual Commonwealth traders, the United Kingdom lost further ground in this market; her share declined from 60 per cent in 1950 to an estimated 51 per cent in 1957. This loss was Australia's gain: the latter's share climbed to a record of nearly 17 per cent, continuing a trend started in 1955. Among the major products Australia provided were metal goods, wheat, sugar, petroleum products and foodstuffs.

Canada is the next largest Commonwealth supplier, shipping New Zealand about 2.5 per cent of her imports. The list includes newsprint, timber, motor vehicles, primary metals, canned salmon and a large number of manufactured goods in small quantities. The remaining Commonwealth suppliers sell a wide range of goods, ranging from rubber and rum to flash-

light cases but with the exception of Malaya, none contributes more than 1 per cent of total imports.

Of the non-Commonwealth countries, the United States is by far the largest supplier, with nearly 8 per cent of total imports in 1957. Her position has changed but little for a number of years. In the list of diverse commodities sold are machinery, petroleum products, tobacco, crude sulphur, chemicals, and iron and steel manufactures.

In Europe the EPU countries as a group (excluding the United Kingdom and Eire) traditionally supply about 8 per cent of New Zealand's total imports. Eastern European countries are relatively unimportant as suppliers; other countries—including Japan, Indonesia and the Netherlands Antilles—seem to be holding their own, with a share of total imports running around 5 per cent. ●

Note: All values and percentages for 1957 are provisional. Export values are F.O.B. and import values C.D.V. country of origin.

Australia's Trade with the Commonwealth

Progress of secondary industry and wider markets for wool have pushed up Australian exports to countries outside the Commonwealth. But the Commonwealth continues to be both her largest supplier and biggest customer.

C. BRITTON, *Commercial Counsellor, Sydney.*

COMMONWEALTH trade continues to dominate Australia's overseas trade pattern. Australian exports to foreign markets, exclusive of the Commonwealth, rose sharply from £376,918,000 in fiscal 1955/56 (48.2 per cent of total exports) to £516,160,000 in 1956/57 (62 per cent). There were several reasons for this. The increase in wool exports in recent years has been spread over a number of markets, many of them outside the Commonwealth. Industrial development has brought new customers for the products of Australian secondary industry, particularly in South East Asia and the Far East, and these now represent an important percentage of total exports. But with these notable and important exceptions, Australia's basic markets are, and are

likely to continue to be, within the Commonwealth. Exports to the Commonwealth countries totalled £397,209,000 in fiscal 1955/56 and £472,824,000 in fiscal 1956/57.

Commonwealth countries also provide the bulk of Australia's imports, in part because import controls have tended to restrict imports from dollar countries more severely than those from other currency areas. Because most Commonwealth countries are in the sterling bloc, the effect of the control on imports from these countries has not been as pronounced.

Import Trade Largely with Commonwealth

The United Kingdom is by far Australia's most important source of supply, furnishing goods valued at £296,251,000, in fiscal 1956/57, or 41.3 per cent of Australia's total imports for that year. This compares with £355,912,000 (43.3 per cent) in the preceding fiscal year. With the steady postwar expansion of secondary industry in Australia, the United Kingdom's share of the import trade has been declining. In 1953/54, for example, it was the source of imports valued at £331,701,000 (48.7 per cent of

total) and in 1954/55, £378,668,000, or 44.9 per cent. Other important sources of supply are:

	1956/57	1955/56
United States	A £95,544,000	A £98,790,000
West Germany	31,079,000	34,998,000
Indonesia	26,356,000	22,401,000
India	24,509,000	23,469,000
Canada	22,157,000	23,306,000
Iran	17,804,000	22,819,000
Japan	12,884,000	22,592,000
Netherlands	10,555,000	13,233,000
Sweden	11,510,000	12,048,000

All values are in Australian pounds sterling.

Primary Products Lead Exports

A study of exports to the United Kingdom indicates the commodities that are basic in Australia's export trade. Imports into Australia consist of a wide range of raw materials, components and parts, semi-manufactured goods and capital equipment; exports consist mainly of primary products and metals. This has held true for many years, and although manufactured and semi-processed exports are now running at about £100 million a year, wool and other primary products are likely to make up the bulk of Australia's export trade for years to come. In the last year for which complete figures are available, 1956/57, Australian exports to the United Kingdom in excess of £5 million were:

	1956/57	1955/56
Wool—greasy	£106,654,915	£73,598,182
—scoured, washed, tops, etc.	10,717,417	9,497,990
Butter	20,084,971	24,463,781
Meats—chilled beef and veal	17,007,168	17,247,573
—tinned beef and veal	7,950,642	12,490,811
Wheat	16,766,969	12,782,806
Cane sugar	16,615,797	13,909,176
Lead—bullion and silver		
lead bullion	8,337,514	4,639,155
—pig	7,482,250	11,367,892

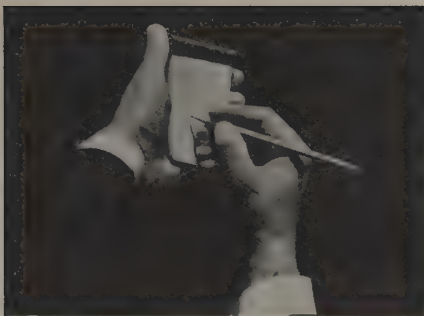
Wool comprises almost half of Australia's export earnings, and goes to a number of export markets; the more important are the United Kingdom, Japan, France, Italy, Germany, Belgium, Luxembourg and the United States. Japan has become an important factor in the Australian wool auctions and in the past two years has come second only to Britain as a buyer. With the exception of the United Kingdom, no other Commonwealth country could be described as an important buyer of Australian wool. The Commonwealth is nevertheless the largest market for Australia's other primary exports and also for the increasing output of secondary industries.

The following table shows Australia's most important import/export markets for 1956/57, with comparative figures for the year 1955/56:

		Countries of Origin or Consignment of Australian Imports and Exports	
		IMPORTS £'000	EXPORTS £'000
Commonwealth Countries		1955-56	1956-57
United Kingdom	355,912	296,251	257,333
Australian territories	6,860	8,455	15,102
Canada	23,306	22,157	10,911
Ceylon	8,632	9,863	8,687
India	23,469	24,509	12,159
Malaya, Federation of	16,230	10,875	9,337
New Zealand	8,254	11,979	40,920
Singapore	1,453	873	12,100
Other British countries	32,342	38,086	30,660
Total Commonwealth countries	476,458	423,048	397,209
Foreign Countries		1955-56	1956-57
Arabian States	28,606	23,449	2,039
Belgium-Luxembourg	11,578	7,462	26,173
France	15,626	9,297	67,314
Germany, West	34,998	31,079	36,431
Indonesia	22,401	26,356	6,705
Italy	11,821	9,112	34,621
Japan	22,592	12,884	86,490
Netherlands	13,233	10,555	6,192
Sweden	12,048	11,510	3,483
United States	98,790	95,544	54,998
Other foreign countries	69,115	57,333	51,873
Total foreign countries	340,808	294,581	376,319
Country unknown	1,077	1,362	12
TOTAL ALL COUNTRIES	818,343	718,991	773,540

British Flowers for Canadian Homes

British flower-growers have high hopes of expanding their market in Canada, thanks to fast air transportation. Canadian sales are particularly good during the winter, say the growers, because distances from California—a main supplier—and from Britain to Eastern Canada are about the same. Packaging is a big problem, though one grower declares that it is easier to send flowers by air to Canada than by train to Glasgow. So far, only hard blooms have been shipped; roses, anemones and carnations stand the ocean flight best. Chief problem is that sometimes flowers are severely chilled during the trip over the Atlantic or in being unloaded in winter at a Canadian airport and the sudden change to the balmy climate of a florist's shop can do a lot of damage. Insulated cartons have been tried and have proved fairly satisfactory, but insulating small cartons can be costly. Exporters hope that means of shipping all kinds of flowers without damage at reasonable cost will soon be worked out so they can take advantage of the expanding Canadian market.



General Notes

Australia

EXPORT INSURANCE—The Commonwealth Government's Exports Payments Insurance Corporation has underwritten nearly A£10 million worth of business since September 1957. The Corporation was established to protect exporters by insuring them against loss through non-payment of their overseas accounts. Exporters are insured against insolvency and default by buyers, exchange transfers and restrictions imposed by importing countries, and export hazards such as wars and internal disturbances.

Raw and processed wool represented more than half the business insured, but the number of products protected is increasing rapidly. Overseas markets which import Australian goods have risen to 68 and the corporation's protection has greatly improved trading prospects for exporters. These facilities are expected to increase in value as overseas trading conditions become more difficult and competition among nations more intense—Sydney.

GLASS MARKING PROCESS—A new way to mark glass by depositing tiny particles of metal below the surface has been developed at the Federal Government's defence standards laboratories. The process can be used for making very fine scales on glass used in precision instruments. Its advantage over other methods is that the surface is not affected and the markings are almost indestructible—Sydney.

Ceylon

RURAL ELECTRIFICATION—The Department of Government Electrical Undertakings plans to boost rural electrification by launching a scheme this year to provide electric power to 50 villages in the Western, Sabaragamuwa, Northwestern and Southern provinces of Ceylon; it is expected to be completed in three years. The project includes the erection of 11,000-volt transmission lines designed to rural standards at the rate of one mile per village, 50 rural-type transformer substations, 50 miles of three-phase low tension distribution lines, and 1,500 service mains. A pilot project for rural electrification at Arukwatta (a village 20 miles from Colombo) has

already been completed. This project involved the extension of one mile of three-phase and two miles of single-phase low tension lines for supplying electricity to about 70 domestic consumers, three industrial rice mills and two agricultural projects. Rural electrification is expected to revolutionize the domestic life of villagers who, for centuries, have been used to bottle lamps—Colombo.

Finland

LEVY ON EXPORT PROCEEDS—On April 28, the rates of the levy on export proceeds introduced with the devaluation of the Finnmark were lowered for the second time. The new rates are 10 to 50 per cent for wood and wood-processing products and 4 per cent for other goods, calculated on the rise in export revenue in Finnmarks resulting from the devaluation. For goods produced in the north of Finland, the levy is still one-half of the percentages determined for other districts. Initially, the rates varied from 30 to 70 per cent for wood and wood-processing products and were 10 per cent for other products; on February 3, the percentages were lowered to 25-65 per cent and 6 per cent respectively—Stockholm.

Greece

FOREIGN INVESTMENT—Greece urgently needs foreign capital for the development of resources and industries. A law passed in October 1953 was expected to boost investment by increasing constitutional protection for foreign investors. It was called the "Law on Investment and Protection of Foreign Capital in Greece". Results so far, however, are said to have been disappointing. Over \$35 million worth of investment capital has been approved but only some \$13 million has actually been invested. Some of the largest amounts have come from the Union des Banques Suisses, Geneva, for the expansion of the Ladopoulos Paper Mills; from Stavros Niarchos, New York, for the Skaramanga ship-building yards; and from Fulgor, S.P.A. for an electric cable factory. Another \$7 million has been

approved but not invested; about \$4 million of it will be used to develop the Ptolemais lignite deposits in northern Greece—Athens.

Netherlands

NEW SODA FACTORY OPENED—A new \$75 million soda plant financed jointly by the Netherlands Government and private industry was opened at Delfzijl on June 5. It is expected to produce 170 thousand tons of soda, 23,000 tons of chloride, 26,000 tons of nitric acid and 300 thousand tons of salt. The chemical, textile, petroleum and soap industries are

expected to use 40 per cent of the plant's output, the glass industries 26 per cent, crystal soda industries 20 per cent and other industries 9 per cent. The mine, a huge dome of pure salt, is some ten miles from the sea. The salt is mined hydraulically and pumped in solution through a pipeline to the processing plant at Delfzijl. Limestone needed in chemical processing at the plant is imported from Belgium and other neighbouring sources by canal barge.

A new harbour and canal system has been built at Delfzijl so that raw materials and finished products can be moved entirely by barge or ocean vessels.—The Hague.

Trade Commissioners on Tour

The following officers of the Trade Commissioner Service are on tour in Canada. Their itineraries are:

H. E. CAMPBELL, Trade Commissioner in Kingston, Jamaica:

Vancouver—Sept. 2-10	Maritimes—Oct. 1-10
Winnipeg—Sept. 12	Toronto, Southwestern Ont.,
Ottawa—Sept. 15-19	Oct. 13-24
Montreal—Sept. 22-30	

When he completes his tour Mr. Campbell will return to his post in Kingston, Jamaica.

T. F. HARRIS, Trade Commissioner in Bombay, India:

Quebec—Sept. 2	Winnipeg—Sept. 22-23
Montreal—Sept. 3-9	Calgary—Sept. 24-25
Toronto—Sept. 10-17	Vancouver—Sept. 26-Oct. 3
Welland—Sept. 18	Edmonton—Oct. 6
Hamilton—Sept. 19	

W. J. MILLYARD, formerly Trade Commissioner in Salisbury, Federation of Rhodesia and Nyasaland:

Port Credit—Aug. 18	Waterloo—Aug. 21 A.M.
Welland—Aug. 18	London—Aug. 21 P.M.-22 A.M.
Hamilton—Aug. 19	Kincardine—Aug. 22 P.M.
Guelph, Fergus—Aug. 20	

When he completes his tour Mr. Millyard will be stationed in Ottawa as Assistant Director (Administration) of the Trade Commissioner Service.

B. I. RANKIN, Commercial Counsellor in Berne, Switzerland:

Montreal—August 13-22	Quebec—August 25-26
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H. W. RICHARDSON, Trade Commissioner in Guatemala City, Guatemala:

London—August 4	Toronto—August 11-19
Brantford—August 5	Kingston—August 20
St. Catharines—August 6	Ottawa—August 21-29
Hamilton—August 7-8	

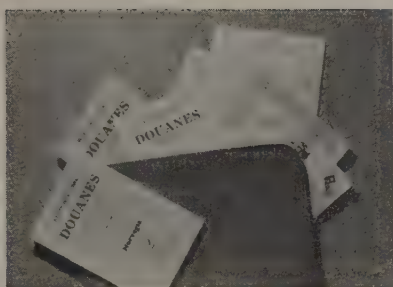
Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto and Winnipeg, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria, at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

Tours of Territory

W. G. BRETT, Assistant Commercial Secretary Caracas, Venezuela, will visit the Andes region including Merida and San Cristobal, early in September.

R. D. SIRRS, Assistant Commercial Secretary Caracas, Venezuela, will visit Maracay, Valencia, Puerto Cabello and Morón during the latter part of August, and the Netherlands Antilles in September.

Businessmen who would like these officers to undertake assignments should get in touch with them at Caracas as soon as possible.



Trade and Tariff Regulations

Barbados

IMPORTS OF PICKLED PORK—The Controller of Supplies in Barbados has announced that pickled pork has been placed on World Open General Licence as from June 2, 1958. This means that this commodity may be imported from any source without an import licence.

When meat was placed on World Open General Licence in March 1954 pickled pork was specifically excluded from that licence.

New Zealand

IMPORT LICENSING—The New Zealand Government recently announced the following changes in import licensing in respect of goods imported from Canada and the United States:

Sausage Skins and Casings: The import quota allocated for sausage skins and casings of animal origin from the United States and Canada has been amended from 75 per cent of the value of 1956 imports to 75 per cent plus an additional allocation for which applications for licences will be considered individually.

Textile Piecegoods: Consideration will also be given to applications from wholesalers and importing retailers for additional licences for textile piece goods classed under Tariff Items 180(1), (2) and ex (7). These items make provision for textile piecegoods (other than moquettes, tapestry and tickings) of cotton, linen, hemp, jute (excepting jute piecegoods and knitted cotton piecegoods) other vegetable fibre, silk, artificial silk, imitation silk, or of combinations of these materials with one other, or with any other material (except wool or hair), whether plain, hemmed, etc.

Fine Papers: The licensing quota for printing and writing papers and printers' boards classed under Tariff Items 300(2)(b), 300(2)(d), and ex 269 has been increased from 75 per cent to 100 per cent of an applicant's 1956 imports of the same goods from Canada.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF—The South African Board of Trade and Industries

recently announced that it had received the following representations respecting the tariff:

Increase in duty on:

1. P.V.C. and polythene sheeting, from 10 per cent to 33½ per cent ad valorem; and P.V.C. and polythene bags, from free and 20 per cent to 33½ per cent ad valorem.
2. Dextrose monohydrate (powdered glucose), from 4s.6d. to 20s. per 100 lb.
3. Electrically-operated refrigerators and parts and components therefor, from free of duty to 15 per cent ad valorem.
4. Woven piecegoods containing 50 per cent to 70 per cent by weight of man-made fibres and 50 per cent to 30 per cent by weight of wool or hair, or wool and hair mixed and of which 50 per cent of the fibres by weight have been carded or prepared, combed or spun on worsted machinery, from 10 per cent ad valorem to 30 per cent.
5. Spoons and forks (not silverplated), from 10 per cent ad valorem to 20 per cent ad valorem.
6. Men's caps, from 20 per cent ad valorem to 90 per cent ad valorem.

Canadian firms exporting these goods to South Africa may wish to have their views on these tariff inquiries placed before the Tariff Board. The most effective method of doing so is for the Canadian exporter to have his South African agents act on his behalf before the Board. Action should be taken as soon as possible because tariff inquiries normally begin in South Africa soon after the announcements are made.

United Kingdom

APPLE IMPORT QUOTAS ANNOUNCED—The quotas established by the United Kingdom for the import of fresh apples from North America and from Western European and certain other countries have been combined in a single quota of 1.5 million cwt. (one cwt.=112 pounds) according to an official announcement of July 18. Of this quantity, 300 thousand cwt. may be imported in the period July to December 1958 and the remainder in the period January to June 1959.

Previous quotas have been on a value basis. For the past two quota years, the amount available for imports annually from North America has been £1.25 million F.O.B.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.04302.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 21	Units per Canadian dollar	Notes (see below)
Argentina	Peso	Official .....	.05326	18.77	(1)
		Free .....	.02269	44.07	
Austria	Schilling ..	.....	.03687	27.12	
Australia	Pound .....	.....	2.1510	.4649	
Bahamas	Pound .....	.....	2.6888	.3719	
Belgium, Belgian Empire and Luxembourg	Franc .....	.....	.01923	52.00	
Bermuda	Pound .....	.....	2.6888	.3719	
Bolivia	Boliviano ..	Free .....	.0001081	9250.69	
British Guiana ...	Dollar .....	.....	.5602	1.7850	
British Honduras .	Dollar .....	.....	.6722	1.4876	
Brazil	Cruzeiro ...	General Category*	.006508	153.66	*June 25 (2)
		Special Category .....	.003197	312.82	
		Official buying .....	.05221	19.15	
Burma	Kyat .....	.....	.2013	4.97	
Ceylon	Rupee .....	.....	.2017	4.96	
Chile	Peso	Free .....	.001234	810.37	(3)
Colombia	Peso	Certificate .....	.1412	7.08	
Costa Rica	Colon	Official .....	.1707	5.86	
		Controlled free .....	.1445	6.92	
Cuba	Peso .....	.....	.9588	1.04297	tax 2%
Czechoslovakia ...	Koruna .....	.....	.1332	7.51	
Denmark	Krone .....	.....	.1388	7.20	
Dominican Republic	Peso .....	.....	.9588	1.04297	
Ecuador	Sucre	Official .....	.06392	15.64	
		Free .....	.05790	17.27	
Egyptian Region, United Arab Rep.	Pound	Official	2.7531	.3632	
		Export acct. selling ..	2.1775	.4592	
El Salvador	Colon .....	.....	.3835	2.61	
Fiji	Pound .....	.....	2.4223	.4128	
Finland	Markka .....	.....	.002996	333.78	
France, Monaco and North Africa	Franc .....	.....	.002283	438.02	(4)
French colonies in Africa	Franc .....	.....	.004566	219.01	(5)
French Pacific ...	Franc .....	.....	.01256	79.62	(6)
Germany	D Mark .....	.....	.2288	4.37	
Ghana	Pound .....	.....	2.6888	.3719	
Greece	Drachma ...	.....	.03196	31.29	
Guatemala	Quetzal .....	.....	.9588	1.04297	
Haiti	Gourde .....	.....	.1918	5.21	
Honduras	Lempira .....	.....	.4794	2.09	
Hong Kong	Dollar	Free*	.1650	6.06	*July
		Official .....	.1680	5.95	
Iceland	Krona	Official .....	.05887	16.99	(7)
India	Rupee .....	.....	.2017	4.96	
Indonesia	Rupiah	Effective buying .....	.03166	31.58	*June 27 (8)
		Effective selling .....	.02533	39.48	
Iran	Rial	Certificate .....	.01266	79.01	

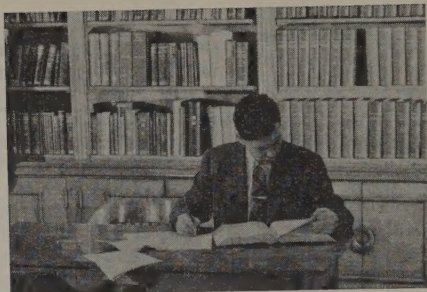
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 21	Units per Canadian dollar	Notes (see below)
Iraq	Dinar .....	.....	2.6845	.3725	
Ireland	Pound .....	.....	2.6888	.3719	
Israel	Pound .....	.....	.5326	1.88	
Italy	Lira .....	.....	.001539	649.77	
Japan	Yen .....	.....	.002663	375.52	
Lebanon	Pound	Free .....	.2987	3.35	
Mexico	Peso .....	.....	.07670	13.04	
Netherlands	Florin .....	.....	.2527	3.96	
Netherlands Antilles	Florin .....	.....	.5092	1.96	
New Zealand	Pound .....	.....	2.6888	.3719	
Nicaragua	Cordoba	Effective buying .....	.1453	6.88	
		Official selling .....	.1361	7.35	
Norway	Krone .....	.....	.1342	7.45	
Pakistan	Rupee .....	.....	.2017	4.96	
Panama	Balboa .....	.....	.9588	1.04297	
Paraguay	Guarani	Official .....	.008760	114.15	
Peru	Sol	Certificate .....	.03965	25.22	
Philippines	Peso .....	.....	.4794	2.44	
Portugal & Colonies	Escudo .....	.....	.03346	29.89	(8)
Singapore and Malaya	Straits dollar .....	.....	.3137	3.19	
Spain and Dependencies	Peseta	Controlled free .....	.02283	43.80	(7)
Sweden	Krona .....	.....	.1853	5.40	
Switzerland	Franc .....	.....	.2237	4.47	
Syrian Region .....	.....	.....	.....	.....
United Arab Rep.	Pound	Free .....	.2681	3.73	
Thailand	Baht	Free .....	.04625	21.62	(7)
Turkey	Lira .....	.....	.3424	2.92	
Union of South Africa	Pound .....	.....	2.6888	.3719	
United Kingdom	Pound .....	.....	2.68875	.371920	
United States	Dollar .....	.....	.95875	1.04302	
Uruguay	Peso	Free .....	.1570	6.37	
		Basic buying .....	.6312	1.5843	(7)
		Principal selling .....	.4566	2.19	
Venezuela	Bolivar .....	.....	.2862	3.49	
West Indies Fed.	Dollar .....	.....	.5602	1.7850	(9)
	Pound .....	.....	2.6888	.3719	(10)
Yugoslavia	Dinar .....	.....	.003196	312.89	(7)

*Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Brazil: exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product.
3. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
4. France: territory includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
5. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
6. New Caledonia, New Hebrides, Oceania.
7. Additional rates are in effect.
8. Portugal: approximately same rate for Portuguese territories in Africa.
9. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
10. Jamaica.



Businessman's Bookshelf

The New Role of the Soviets in the World Economy

Michael Sapir. 35 pages and appendices. 50 cents.

THE contest between the democratic world and the Communist countries has in the past assumed various forms. Some observers believe that the possession of nuclear weapons by both sides, causing a stalemate in military power, has now shifted the rivalry into the economic field.

For those interested in this new aspect of competition, this study by Michael Sapir recently published by the Committee for Economic Development offers an interesting analysis of Soviet Russia's foreign economic policy. The author, a student of international economics, has specialized in the affairs of under-developed countries and is currently at work with the United Nations Technical Assistance Administration in Latin America.

In his view the Soviet "trade and aid" program is the core of a Soviet economic offensive which started in 1952 with an upsurge of trade with the free world. The striking results achieved by Soviet Russia and the Soviet bloc since then indicate a new line of economic policy with the ultimate goal of winning over the under-developed countries to the Communist world.

Offers of assistance by the Soviet bloc have for the most part been readily accepted in the under-developed countries. Mr. Sapir quotes many reasons for their success. The use of good financial and economic techniques and political and psychological considerations—such as revulsion against the old colonialism and a bent towards paternalistic planning so often encountered in less advanced countries—carried weight, in some instances, against comparable aid schemes proposed by democratic states.

Mr. Sapir supplements his study with statistical tables to show that the amount of assistance extended by the Soviet bloc is considerably less than that given to under-developed countries by the free world. However, the Soviet bloc has a clear advantage in concentrating on a limited number of states. Moreover, there seems little doubt that, under the leadership of the Soviet Union, the bloc can if necessary step up its foreign economic drive.

Mr. Sapir concludes that the free world does not lack the ability to prevail in the under-developed countries provided "an expanding and improved program to increase trade with the under-developed areas and to help them more abundantly and more understandingly with their economic aspirations" can be worked out and consistently applied.

It is worth noting that an outstanding British economist, Lord Salter, remembered for his work as the director of the economic and financial section of the prewar League of Nations, holds a similar opinion. Writing in the July issue of *Foreign Affairs*, he stresses the belief that a well-organized program of assistance to under-developed countries is a major scheme in the West's economic strategy. Yet, concerned with the possible clash of antagonistic aid programs, Lord Salter expresses the hope that ultimately economic assistance to needy, less advanced countries will be channelled through a strengthened organ of the United Nations, thus "taking much venom out of the economic conflict".

Order from: The Committee for Economic Development, 711 Fifth Avenue, New York 22, N.Y.

Canadian Trade Index, 1958

Canadian Manufacturers' Association. 1,082 pages \$10.00.

"LEFT copy of *Canadian Trade Index*"—time after time this phrase appears in reports from Trade Commissioners on tour in their territories. They find this one excellent way to prove that "Canada can supply it", and the cross-reference listing in French, Spanish and Portuguese of Canadian-made products adds to the usefulness of the *Index* abroad.

Here at home, the book is indispensable. It lists 11,000 Canadian manufacturing companies, with the products they make, brand names, trademarks, location of factories and branch offices. Separate listing cover products and a special section is devoted to agricultural produce.

The helpful section on "Export Methods and Services" is also available in a separate reprint.

Order from: The Canadian Manufacturers' Association, 67 Yonge Street, Toronto 1, Canada.

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